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East Asia

FBIS-EAS-96-159
Thursday
15 August 1996

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Daily Report
East Asia

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APEC Report Critiques Plans for Trade Liberalization

BK1508060896 Bangkok BANGKOK POST (BUSINESS Supplement) in English 15 Aug 96 p 3

[Report by Somphon Thapphanachai and Peter Mytri Ungphakon]

[FBIS Transcribed Text] Weaknesses have been found in the latest proposals for APEC liberalisation.

The latest proposals for trade and investment liberalisation in the Asia-Pacific Economic Cooperation [APEC] group are uneven with only some envisaging actions beyond those committed in the World Trade Organisation, according to an APEC report.

The report, currently being circulated among APEC's 18 members, was compiled by the Philippines, the group's chairman for this year. Its purpose is to assess draft individual action plans submitted by the 18 countries so that the plans can be improved in time for the group's summit meeting in Subic in November.

The report looks at the extent of liberalization proposed under 13 headings, ranging from tariffs and non-tariff measures to services, investment, competition policy and deregulation. It examines how much liberalisation is envisaged and whether the proposals submitted by the 18 members are comparable.

The 18 agreed at their last summit in Osaka last year that the action plans would be voluntary and would not be negotiated. But they also said they would avoid a situation where some countries took less action than others.

The measures to be introduced from January 1, 1997 to 2010 (or 2020 in the case of developing country members) would be made available to non-members as well.

The report proposes the 18 countries' plans be redrafted to fit a common format so that clearer comparisons can be made. It places hope that improved and more uniformed plans can arise from workshops, conferences and other means of exchanging information in the coming months.

Only nine countries are proposing to reduce their tariffs beyond the levels already committed in the WTO, the report says. Altogether 17 countries have submitted proposals, and Thai officials acknowledged last week that this country's tariff cutting proposal is the last to be submitted.

All countries submitted drafts on liberalizing investment but were vague about measures to give foreigners the same treatment as their own nationals. The report calls for further study of what exactly will happen.

Proposals for liberalising services varied, with only eight members envisaging opening up their goods distribution markets.

"Only in the telecommunications sector were there substantial submissions on actions to reduce restrictions on market access," and to guarantee equal treatment, the report says.

But, it adds, the services plans are uneven in their coverage. "Other gaps include the absence or lack of information on current positions, clear timeframes or target dates for granting (non- discrimination guarantees) in certain sectors."

The proposals on deregulation "still have much room for improvement in terms of specifying timeframes and clarifying current regulatory regimes and specific actions to be taken. There appears to be no common understanding of the coverage of deregulation to be addressed in the (individual action plans). The holding of a workshop on competition policy/deregulation in Davao will be a step toward defining the concept of deregulation."

Thailand is proposing deregulation of water supply in Bangkok, telecommunications, maritime transport services, and energy. The plans largely discuss the process for formulating policy that would increase private sector participation in these sectors without setting specific deadlines for specific measures.

In 1994, the government hired an international consultancy firm, Arthur D Little International, to examine the privatization of the Metropolitan Waterworks Authority [MWA].

So far, the government has only set up a committee to look at the options and Thailand's APEC proposal simply states that "private sector participation in the MWA's undertaking still awaits the established (formulas) to be set up by the committee."

On competition policy, the Thai plan envisages, for 1997-2000, a review of policies and laws, and the establishment of "appropriate cooperation arrangements among APEC economies." For 2001-10, the government will "consider amending existing laws". The plan does not give details.

For 2011-20 Thailand will "support cooperation activities contribution to the promotion of free trade and competition."

APEC comprises: Canada, the United States, Mexico, Chile, China, Taiwan, Hong Kong, Japan, South Korea, ASEAN (except Vietnam), Papua New Guinea, Australia and New Zealand.

Japan

Japan: Government To Sue Okinawa Over Refusal To Renew Leases

OW1408123896 Tokyo KYODO in English 1223 GMT 14 Aug 96

[FBIS Transcribed Text] Naha, Japan, Aug. 14 KYODO — The Japanese central government said Wednesday it will sue Okinawa Gov. Masahide Ota on Friday [16 August] to have him comply with an order to take procedures necessary for forced rental of land inside Kadena Air Base and 10 other U.S. military facilities in the southwestern island prefecture.

The move follows the Okinawa prefectural government's rejection earlier in the day of Prime Minister Ryutaro Hashimoto's order that it take the procedures required to renew land leases for the U.S. military.

Hashimoto had given Ota until Thursday to take appropriate procedures under the local autonomy law. It will be the fourth time the central government has sued Okinawa prefectural officials over the bases issue.

The decision against action for the compulsory land lease contracts, which will expire next May, was taken at a meeting of top prefectural officials that was convened by Okinawa Vice Gov. Masanori Yoshimoto. Ota is now on a trip to Peru, prefectural government officials said.

The central government has ordered Ota to act as proxy for the mayors of municipalities where the 11 bases are located after their refusal to put on public display papers required for expropriating the land plots.

Some 3,000 people own a total of 129,000 square meters of land on U.S. bases throughout the prefecture, which is some 1,600 kilometers southwest of Tokyo.

Ota has been ordered by a high court to serve as proxy to sign papers needed for forced lease contracts for facilities elsewhere on the island.

The Supreme Court will hand down a ruling on the first proxy case Aug. 28, which has been a focus of the constitutionality of forced leasing of private land for U.S. military facilities in Japan.

The prefectural government officials cited the need to await the Supreme Court ruling as the reason for rejecting Hashimoto's order this time.

Although Tokyo and Washington struck a deal in April to reduce the U.S. military presence in Okinawa Prefecture, the central government has yet to present any satisfactory plans to carry it out, the officials said.

One of the issues at stake, the officials said, is a plan to relocate a U.S. military heliport from the U.S. Futemma air station to somewhere within the prefecture.

That will not substantially change the situation in which about three-fourths of all Japanese land for U.S. military use is concentrated in Okinawa, which accounts for only 0.6 percent of Japan's total land area, they said.

Japan: Coalition Parties at Odds on Okinawa Development Plan

OW1408143796 Tokyo ASAHI SHIMBUN in Japanese 11 Aug 96 Morning Edition p 2

[FBIS Translated Text] The Okinawa base issue will reach a turning point in late August. In view of this, the government and the ruling parties will start full discussions on the Okinawa development project. The government and the Liberal Democratic Party [LDP] seek to draw up the new development program prior to the FY97 budget request scheduled for late August. With this action, they aim to encourage the Okinawa prefectural government to cooperate with the central government in resolving such issues as the relocation of a heliport at Marine Corps Air Station [MCAS] Futenma and the forced lease of land for U.S. military use. However, the Social Democratic Party [SDP] believes that realignment and reduction of bases should be implemented first. It shows concern about the possibility that the development program will be prepared "without its consensus." Coordination of their views is likely to take a while because it remains uncertain to what extent the central government can meet the prefectural government's demand.

The LDP formed the "Special Research Committee for the Comprehensive Okinawa Development Program" (chaired by Secretary General Koichi Kato) directly under President (Prime Minister) Ryutaro Hashimoto in June and has studied this program, while listening to opinions of the LDP Okinawa Prefecture Federation and local economic circles. In addition, Kato will visit Okinawa on 24 August to meet with Okinawa Governor Masahide Ota. Meanwhile, the SDP Task Force for Okinawa Development Program (headed by President Tomiichi Murayama) drew up a draft plan on 1 August.

Both parties have considered incorporating the following measures in their programs: 1) Reducing air fares for flights connecting Okinawa and other places in Japan by implementing various measures, such as cutting facilities charges for Naha airport further (at present, it is two-thirds of those for other domestic airports); and 2) appropriating a research budget to expand the free trade zone.

In preparation for the Supreme Court's ruling on proxy signing slated for 28 August, as well as the 8 September Okinawa prefectural referendum, the government will form the "Okinawa Council" consisting of experts and concerned parties around 20 August to stress that it has dealt with the Okinawa Development Program under the leadership of the prime minister's Secretariat.

However, there is a gap in the ruling parties' views about handling the base issue and the development program. For example, the draft SDP plan completely reflects the prefectural government's proposal to introduce a "no-visa entry" system for tourists from Taiwan, the ROK, and Hong Kong. However, some LDP officials express strong concern, saying that introduction of such a system will permit "one country, two systems."

The SDP holds the view that the development program should not be used as a tool for settling the U.S. military base issue. It strongly asserts: "Although the LDP regards the development program as a step to promote settlement of the U.S. military base issue, we, the SDP, give weight to financial support to Okinawans after the bases are returned" (as stated by a senior SDP official).

There is also concern within the LDP that, "if we take actions ahead of other ruling parties, it may give Okinawans the impression that our party exercises a 'spending diplomacy' to obtain their consensus about forced lease of land in exchange for the development program" (as stated by a senior LDP Policy Research Committee member). The LDP executives have stressed the need to arrange job assignments for the LDP and the SDP, as well as cooperation among the ruling parties, saying, "We should prevent conflict about which party will take a leadership" (as stated by Kato).

At a 6 August meeting of the ruling party executives, the SDP and New Party Sakigake remained negative toward the LDP's proposal that secretaries of the three ruling parties visit Okinawa late August. As the result, the LDP decided to visit there alone. It cannot be said that they are in perfect harmony.

Japan: Scholars, Lawyers To Campaign Against Law on U.S. Bases Land

OW1508001096 Naha OKINAWA TIMES in Japanese 14 Aug 96 Morning Edition p 2

[FBIS Translated Text] Tokyo — Scholars and lawyers will soon start a "campaign for collecting 1 million signatures" to oppose the enactment of special legislation for forced rental of land to the U.S. forces. On 13 August, representatives of the group that proposed the campaign held a news conference at the Diet Members Office Building and sought public cooperation. They urged the people "to raise voice and prevent the enactment of special legislation." The group plans to submit signatures they will collect to the Diet.

The Supreme Court plans to hand down its ruling on 28 August concerning Okinawa's U.S. bases-related issue. Also, the prefecture's referendum on U.S. bases is scheduled for 8 September. While such milestone events are nearing, moves to enact special legislation still exist. In such a situation, 32 people in and outside Okinawa proposed the signature-collecting drive to oppose the enactment of special legislation. They include Minoru Oda, an author; Makoto Sataka, an economic commentator; Moriteru Arasaki, a member of Okinawa's Hitotsubo Antiwar Landowners Association [ALA]; and Yayori Matsui, representative of Asian women's data center.

The group demands: 1) military bases on Okinawa be reduced or removed and the rotation of military bases be halted; 2) priority be given to human rights over military bases and the Japan-U.S. Status of Forces Agreement be reviewed; and 3) the government abandon the idea of enacting special legislation. They will distribute signature sheets to citizens' groups and labor unions and begin taking specific actions from around 28 August, when the Supreme Court hands down its ruling.

Representatives of the group who appeared at the news conference included Seishin Uehara, head of the ALA Kanto chapter; Masatoshi Uchida, a lawyer; and Yoko Toyama, a member of the Consumers Union of Japan. They sought public cooperation, saying: "It will not be easy to collect as many signatures as Okinawa's population. But unless sensible people in mainland Japan take actions, U.S. bases on Okinawa will not be removed."

The campaign will be conducted mainly outside Okinawa. The group plans to establish a system to enable the people to sign on the Internet. By late September, or before an extraordinary Diet session is convened in early October, they hope to collect signatures targeted in the first stage of the drive. The group also plans to conduct a large-scale rally at Hibiya Outdoor Concert Hall on 22 October.

For inquiry, call the signature-collecting campaign executive committee at 03-5275-5989, or Soko Shimabukuro's office in the upper house members' office building at 03-3508-8336.

Japan: MITI Explains Position, Welcomes WTO Film Panels

OW1408142496 Tokyo NIHON KEIZAI SHIMBUN in Japanese 14 Aug 96 Morning Edition p 5

[FBIS Translated Text] "We will talk solemnly and fairly about the issue of the Japanese photographic film market at the World Trade Organization's (WTO) dispute settlement panels," (said an official of the Ministry of International Trade and Industry's [MITI] International Trade Policy Bureau).

The U.S. Government announced that it would ask the WTO to set up dispute settlement panels. In this regard, MITI announced a statement on 13 August, saying: "The U.S. claim is mistaken and very regrettable." However, MITI is saying that it regrets the fact that the United States took actions for setting up the panels without pointing out in what ways Japan violates WTO rules. The ministry welcomes the request itself for formation of the panels.

Unlike bilateral talks, which can be controlled by power relationship between two countries, panel discussions can be handles legally and ideologically at multilateral meetings, where decisions are made by panelists of third countries. Discussions at the WTO panels can also become a model case for accumulating actual cases of making decisions by actively utilizing rules of newly formed WTO for settlement of disputes.

MITI launched a trade strategy centered around multilateralism, saying that "bilateralism has died out," (according to Yoshihiro Sakamoto, former vice minister for international affairs). Therefore, MITI is enthusiastic about formation of the WTO panels.

However, some people in the United States are wary of Japan's strategy, which attaches importance to multilateral talks.

In its party platform, which was approved on 12 August, the Republican Party actually stresses a policy of giving priority to the U.S. Trade Laws over the WTO. Some Japanese Government officials and the intellectuals are of the view that "Japan should not corner the United States, which is hinting at seceding from the WTO." But MITI plans to maintain its stand of attaching importance to the WTO, saying that "the United States fulfilled a central role in forming the WTO so that not all its officials attach importance to the trade acts," (according to MITI's International Trade Policy Bureau).

Japan: Farm Ministry Seeks Emergency Import Curbs Under WTO Rules

OW1508101596 Tokyo KYODO in English 0933 GMT 15 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 15 KYODO — The Farm ministry asked the trade ministry and the finance ministry on Thursday to investigate damages to domestic producers of garlic and ginger stemming from imports of Chinese-grown garlic and ginger, officials said.

Such a probe is required under World Trade Organization (WTO) "safeguard" rules as a prerequisite for allowing a country to invoke emergency measures to curb imports of farm produce to protect domestic farmers.

The Ministry of Agriculture, Forestry and Fisheries claims the upsurge in recent years of imports of Chinese-grown ginger and garlic is inflicting serious damages on domestic farmers.

However, the Ministry of International Trade and Industry (MITI) is putting up resistance to the suggested curb for fear that it would alienate Japan's trading partners, the officials said.

Imports of vegetables are governed by the WTO's general safeguard provisions. However, these do not provide clear-cut qualitative norms for allowing a country to protect domestic growers with emergency constraints.

The situation contrasts sharply with Tokyo's recent invoking of the WTO's emergency import curb privilege against beef and pork. The Geneva-based free trade referee stipulates qualitative norms for import curbs on these products.

Under the guidelines for beef and pork, a country is empowered to curb imports whenever the pace of growth in these imports eclipses a certain prescribed rate.

As for vegetable imports, a government is required to conduct a yearlong investigation and to submit evidence that corroborates domestic farmers' complaints that they have suffered damage from import surges.

A strong yen in recent years has helped whittle down import costs for vegetables. This has caused the overall combined quantity of imported vegetables to break records for the fifth consecutive year in 1995.

Especially, imports of ginger and garlic have been increasing sharply since 1993. Imported ginger accounted for 52.3 percent of the domestic market in 1995, while imported garlic took a 36.9 percent share.

As a result, domestic acreage devoted to growing ginger and garlic declined by some 30 percent for both vegetables in 1996 over a year before.

Farmers in main garlic and ginger-producing districts, such as Kochi and Aomori Prefectures, have become increasingly vociferous in demanding the invoking of the "safeguard" import curbs.

If Japan invokes emergency import curbs, such as a tariff hike, Japan will be required to start talks with countries subject to the curbs concerning compensatory steps, such as cutbacks in tariffs imposed on other products imported from the affected countries, they said.

Given the situation, Japan may find it tough to invoke the emergency import curbs, they added.

Japan: MOFA Previews Hashimoto Trip to Latin America

OW1508080196 (Internet) Japanese Ministry of Foreign Affairs WWW in English 22 Jul 96

[Document released by the Latin America and Caribbean Bureau of the Ministry of Foreign Affairs [MOFA] on 22 July; from the newly established "Prime Minister Ryutaro Hashimoto's Official Visit to Latin America" link in the "What's New" link]

[FBIS Transcribed Text]**Concept and Significance of the Visit Japan and Latin America: Seeking a Partnership for a New Era**

1. Constructing a new partnership between Japan and Latin America. After overcoming [the] so-called "Lost Decade of 80's," Latin America turned the corner toward "stability and progress of 90's." In recent years, countries in Latin America have accelerated democratization, market-oriented economic policy, and economic integration, and has emerged as the world's fastest growth center after East Asia. As Latin America regains economic strength, it naturally develops interest in boosting linkage with [the] Asia-Pacific region. With those backgrounds, the prime minister's visit is expected to play a catalytic role for constructing a new partnership between Asia (of which Japan is a part) and Latin America over [the] Pacific ocean.

2. Tackling together global issues for 21st century. Latin America is expected to play a key role in finding solutions for global issues ranging from population, food, natural resources, to energy, environment and drug trafficking. In recent years, Latin America, with its irrevocable commitment to democracy and market-oriented economy, has emerged as stable and credible partner in the international community. Moreover Latin America is also increasingly gaining in influence over international community as a force capable of working in global peace process, for instance, by bringing into force Tlatelolco Treaty, the world's first regional arrangement to ban nuclear arms. Japan, for its part, aims at reinforcing partnership with Latin America for finding solution to the challenges to all human beings in 21st century, including reforms of the United Nations, arms control, WTO, etc.

3. Strengthening friendly and cooperative relations for the next century. In recent years and also in the years to come, Japan and several major countries in Latin America and the Caribbean (hereafter referred simply as "Latin America") celebrate, one after the other, the 100th anniversary of the opening of diplomatic relationship or of the start of Japanese immigration to these countries (see the attached list). Since opening such relations, Japan and Latin America have consistently developed close and friendly relationship over years. Latin America, abundant in natural resources and economic dynamism, and where the biggest overseas Japanese community exists(1.5 million in total), has great potential for building broader and more cooperative relations with Japan. Now, on the threshold for the coming century, the Prime Minister Ryutaro Hashimoto's visit to Latin America is expected to open up a new page for [sentence as received].

Main Issues for Respective Countries

1. Mexico (first prime minister's visit since Mr. Kaifu's in 1989)

Mexico has shown strong recovery from the aftermath of currency crisis in December 1994, under the outstanding leadership by the President Mr. Ernesto Zedillo, who firmly hold out open-market economic policy and political reforms under such hardship. Japan commends such serious and painstaking efforts by President Zedillo for overcoming economic difficulties. Japan and Mexico will agree on celebrating the centenary of the first Japanese emigration to Mexico in 1997 as a momentum to renew bilateral relationship. The Prime Minister will also seek for bolstering cooperative ties in such bodies as the United Nations and the Asia-Pacific Economic Cooperation forum (APEC).

2. Chile (first prime minister's visit since Mr. Kishi's in 1959)

Chile has always been second to none in Latin America in the area of far-reaching economic liberalization and acceleration of democracy after 1990 when military rule gave way to civilian one. Chile is also seeking extension of linkage with Asia-Pacific region by participating APEC as formal member since 1994. Japan welcomes Chile's policy focused on the Asia-Pacific region, and will call for closer cooperation in this regard.

Since 1997 is the centenary of diplomatic relationship between Japan and Chile, both countries will agree on celebrating it to make it a momentum to bolster bilateral relationship.

3. Brazil (first prime minister's visit since Mr. Suzuki's in 1982)

Japan and Brazil enjoy closer and enriched relations after having celebrated the centenary of their diplomatic relationship in 1995 and concluding successfully the state visit to Japan by the President Mr. Fernando Henrique Cardozo, last March. The prime minister's visit to Brazil is expected to boost bilateral ties even more intensified. Mr. Hashimoto will express his appreciation and support for the President's leadership in carrying out economic stabilization as well as budgetary and administrative reforms under way. Japan will also put emphasis on maintaining close dialogue with Brazil, as one of the leading nations in Western Hemisphere, on global and transboundary issues such as the United Nations reforms, the WTO, economic integration, etc.

4. Peru (first prime minister's visit since Mr. Suzuki's in 1982)

The president Mr. Alberto Fujimori, since taking office in 1990, has shown remarkable performance to eliminate terrorism and bring down hyperinflation. Japan has maintained its supports to Mr. Fujimori's painstaking efforts to reconstruct the nation of Peru, and the Prime Minister will renew its commitment in this regard. The centenary of the first Japanese immigration to Peru in 1999 will be considered as a milestone year for two countries to make the bilateral relations much broader and closer.

5. Central America (first prime minister's visit in history)

(Prime minister will drop in Costa Rica and confer with the leaders of Central American countries.)

Japan has been actively supporting the peace process, economic reconstruction, democratization and market-oriented economic reforms of Central American countries since the end of civil wars in the area and the Prime Minister will renew and reinforce its commitment in these policies. The first Prime Minister's visit to Central America will enhance and deepen the political dialogue between the two areas,such as Japan Central-America forum for dialogue and cooperation, and bolster cooperative ties with those countries.

Japan: Official Sent to Mexico To Assist in Kidnapping Case

OW1408114796 Tokyo KYODO in English 1107 GMT 14 Aug 96

[FBIS Transcribed Text] Tijuana, Mexico, Aug. 14 KYODO — Japanese diplomats and Sanyo Electric Co. officials urged Mexican police Wednesday to be careful in investigating the kidnapping of a sanyo executive to avoid putting the man's life in danger.

In a meeting with the chief prosecutor of the northwestern state of Baja California, where the crime took place, the Japanese side requested that priority be placed on a safe rescue of Mamoru Konno. The top prosecutor, Jose Ruiz, promised that any harsh action will be avoided, Japanese officials said.

He noted that the investigation is in its early stage, focusing on the questioning of witnesses to determine what kind of car was used by the kidnappers.

The 56-year-old Konno, president of Sanyo Video Components (USA) Corp., based in San Diego, California, was abducted by an unidentified group last Saturday in Tijuana, a popular tourist location near the border with the United States.

The kidnappers, who telephoned Sanyo on the day of the abduction, are reportedly demanding $2 million in ransom. Since the kidnappers threatened to kill Konno if police get involved, Sanyo has not filed a police report.

The Japanese Consumer Electronics Group is planning to pay the ransom and has set up a task force at the company's headquarters in Moriguchi, Osaka Prefecture, western Japan, to deal directly with the kidnappers.

Sanyo officials said Tuesday they have had no contact with the kidnappers since the ransom demand.

The Sanyo Group had asked the U.S. Federal Bureau of Investigation (FBI) to cooperate in resolving the case, but since Mexican police have not filed a relevant request, the FBI is not involved in the investigation at this point.

Meanwhile, Japan's consul general in Los Angeles, Shotaro Yachi, visited the Sanyo subsidiary in San Diego on Tuesday to express the government's support for an early solution in the case, consulate officials said.

Yachi said the Sanyo Group's efforts to open direct negotiations with the kidnappers have not yet been successful and that there are concerns the case could be dragged out, the officials said.

An official from the consulate general will be dispatched to Tijuana on Thursday to provide assistance, he was quoted as telling the Sanyo side.

Japan: Hashimoto Expresses 'Deep Remorse' to Asian War Victims

OW1508051596 Tokyo KYODO in English
0448 GMT 15 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 15 KYODO — Prime Minister Ryutaro Hashimoto expressed "deep remorse" Thursday for Japan's wartime acts and offered condolences to war victims, especially in Asian nations, on the 51st anniversary of the nation's surrender to the allied powers.

"The last war caused tremendous pain and sorrow to people in many countries, particularly to those in Asian nations," Hashimoto said in a speech at the annual ceremony for mourning Japan's war dead at Tokyo's Nippon Budokan Hall.

"I am sincerely mindful of this fact and would like to offer heartfelt condolences to them with deep remorse," the premier said.

His predecessor Tomiichi Murayama, the head of the Social Democratic Party (SDP), made similar remarks at the ceremony in 1994, becoming the first Japanese prime minister to refer to victims of Japan's actions during the war.

Hashimoto is the first Liberal Democratic Party (LDP) prime minister to touch upon Japan's responsibility for victimizing Asian people during World War II.

The LDP and SDP, together with New Party Sakigake, comprise the three-party ruling coalition.

Emperor Akihito and Empress Michiko, some 5,900 relatives of Japanese war victims and about 900 government officials participated in the ceremony, praying for the repose of the souls of about 3.1 million Japanese war dead. Some 20 million people in other Asian nations also died in World War II.

House of Representatives Speaker Takako Doi also gave a memorial address, saying, "We should not spare any effort toward world peace and must deepen trustful relationship with people of other nations through further international cooperation."

"In particular," Doi said, "further efforts are needed to reach real reconciliation with Asian people."

After observing a minute's silence for the war dead at noon, Emperor Akihito made a brief speech.

"Looking back at history here, I pray from the heart that the ravages of war will never be repeated.

"Together with all of the people in Japan, I offer heartfelt condolences to those who died on battlefields and fell victim to the war, and pray for world peace and our country's further development," the emperor said.

A record 8.2 percent of the participants were over 80 years of age. Among the oldest was Chikao Iyoki, 91, a native of Kochi Prefecture, who lost one of his sons during the war.

The youngest was Yoshitaka Ikehata, a 13-year-old junior high school student whose grandfather died of an illness in China during the war.

Japan: Ex-Sex Slaves in Taiwan Renew Rejection of Private Fund

OW1408141596 Tokyo KYODO in English
1307 GMT 14 Aug 96

[FBIS Transcribed Text] Hong Kong, Aug. 14 KYODO — Women in Taiwan who were forced into sexual servitude for the Japanese military during World War II on Wednesday renewed their rejection of compensation from a private Japanese fund.

The women held an emergency meeting of their group in Taipei after the government-initiated Asian Women's Fund started procedures for disbursing lump-sum compensation money to former sex slaves in the Philippines.

The Taiwan group has found 33 surviving former sex slaves, euphemistically called "comfort women" in Japan.

Organizers of the fund, which consists of private contributions from Japanese citizens, have decided to pay 2 million yen each to some 300 surviving former sex slaves in the Philippines, South Korea and Taiwan.

The Taiwan group formally decided Saturday to reject the payments. The group said it would not allow individuals to break away from that policy in criticizing one woman who indicated during a recent visit to Japan that she would accept the money.

The Taipei office of Japan's Interchange Association, a private organization dealing with bilateral issues in the absence of official ties, had offered to discuss the compensation payments with the group, but the women rejected that overture.

While some women in the Philippines have said they want to take the money, former sex slaves in South Korea and Taiwan insist that the Japanese Government must take direct responsibility for wartime wrongdoings and pay compensation from state coffers.

Japan: Reaction to Sex Slave Compensation Examined

OW1408152996 Tokyo KYODO in English 1451 GMT 14 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 14 KYODO — Asian women forced into sexual slavery by the Japanese military before and during World War II rallied in outrage Wednesday as several Philippine women broke ranks to accept compensation from a controversial private Japanese fund.

Activists denounced the payments as an attempt to undermine their joint fight for legal compensation and an official apology from the Japanese Government and as a plot to gloss over Japanese war crimes.

In South Korea, activists, who have been staging demonstrations in front of the Japanese Embassy in Seoul every Wednesday since the Japanese Government initiated the Asian Women's Fund to compensate surviving sex slaves, reiterated they are ardently opposed to private compensation payments.

"We would rather die than accept this deceptive national fund, because it is a measure aiming to circumvent the Japanese Government's legal responsibility," the protesters declared on a banner.

Organizers of the fund, which consists of private contributions from Japanese citizens, have decided to pay 2 million yen each to some 300 surviving sex slaves in the Philippines, South Korea and Taiwan.

The new wave of outrage was triggered when three former sex slaves in the Philippines earlier in the day formally accepted money from the fund along with a letter of personal apology from Prime Minister Ryutaro Hashimoto in a ceremony at a hotel in suburban Pasay. A fourth woman who has accepted money was not able to attend the event due to illness.

In the letter Hashimoto extended his "most sincere apologies and remorse to all the women who underwent immeasurable and painful experiences and suffered incurable physical and psychological wounds as comfort women," as the women are euphemistically called in Japan.

Four other former Philippine sex slaves who refused to accept money from the fund picketed the Japanese Embassy in Manila demanding direct compensation from Tokyo.

The fund is "beggar's money," said Gertrude Balisalisa, 75, the leader of the group. "We are not beggars, we want our dignity restored," she added.

The protesters also criticized Hashimoto's letter of personal apology as "full of high sounding words but not genuine."

In Taiwan a pressure group for 33 former sex slaves called an emergency meeting warning the women against wavering in their opposition to the fund. The group, which has rejected discussing the compensation scheme with Japanese mediators, reiterated its demand for official compensation.

Mel Nuqui, executive director of the Philippine pressure group Development Action for Women Network, expressed regret that some of the women were accepting money from the fund.

"It saddens us that this is happening, considering that comfort women in other Asian countries have rejected the fund," she said.

A Japanese support group accused Tokyo of "using the power of money to gets its way." Some activists were bewildered that the Filipinas took the money, but also said it was "natural to respect their personal decisions."

Hitomi Taniguchi of the Kansai Women's Network fumed over the fund's policy, saying pushing the money onto the elderly women, most of whom live in poverty, "amounts to a crime."

In Beijing, criticism was comparably low key. "It's a start for the Japanese Government toward solving the problem, although the payments are far too low," said Li Dingguo, a leader of a private group seeking compensation from Japan over wartime sufferings.

But Li displayed dissatisfaction that the fund does not cover former sex slaves in China.

Lee Hyo Jae, leader of a pressure group for Koreans who were drafted into so-called volunteer corps for the Japanese military during the war, accused the Asian Women's Fund of deliberately trying to sow discord within the movement.

"By pushing through acceptance of a one-time solatium (in the Philippines), they aim to split our movement. We definitely cannot allow this to happen," she said.

The head of a group of British prisoners of war seeking government compensation from Japan criticized Hashimoto's apology as "insufficient" and slammed the private fund.

Arthur Titherington, who heads the 12,000-strong Japanese Labor Camp Survivors Association, said the apology needs to be stated unambiguously and the Japanese Government should offer to pay direct compensation to the women.

Hashimoto told reporters in Tokyo he understands that opinions are divided over the fund and urged the women to understand this. "If they could accept the Japanese people's sympathies over this issue just a little bit, I would be glad," he said.

At a news conference, Bunbei Hara, the chief fund manager, echoed this view, saying he hopes the women will accept the compensation as evidence of the Japanese people's wish that things such as the wartime forced prostitution never happen again.

"I don't think at all that the victims' lifelong suffering can be undone by delivering apologies and compensation," Hara said.

Tokyo Urged To Compensate for Chemical Weapons in China

OW1408122396 Tokyo KYODO in English 1204 GMT 14 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 14 KYODO — Ten Chinese citizens urged the Japanese Government Wednesday to compensate them for their suffering from chemical weapons left by the Japanese military in China after World War II.

In a statement presented to the prime minister's office, the Chinese demanded the Japanese Government pay 2 million yen in damages to each of them and apologize for the suffering caused by poisonous gas abandoned in China.

Susumu Hyodo, chief of a team of lawyers for the Chinese, told reporters that they will file a damages suit if the Japanese Government does not meet their demands.

The 10 Chinese are all residents of Heilongjiang and Hebei provinces and include the widow of a man who reportedly died in 1991 after being crippled in 1974 when he was exposed to poisonous gas leaking from a shell taken from a river during a dredging operation.

The nine others are victims of the same gas leak incident or similar incidents.

"It is said that the number of Chinese victims of chemical weapons left in China exceeds 2,000. The Japanese Government should compensate them and provide medication for them but also dispose of the weapons quickly," Hyodo said.

China says Japan used poisonous gas at least 2,900 times during the war, killing 80,000 Chinese.

In recent years, Japan has sent officials to China a few times to check on possible soil contamination from decaying chemical weapons and was preparing to dispose of gas shells left in China under a chemical weapon prohibition treaty signed in 1993 by 130 nations, including Japan. Japan ratified the treaty in July 1995.

The treaty obliges signatory nations to dismantle any chemical weapons abandoned after January 1925 without consent in another country within the next decade.

Japan: JETRO Press Release on Overseas Production, Reverse Imports

962A0090A Tokyo JETRO in Japanese 20 Jun 96 pp 2-13

[Unattributed article: "To: Trade Journalist Association 20 June 1996

'Concerning the Press Release'"]

[FBIS Translated Excerpt]

1. Subject: The Current Situation of Overseas Exports and Reverse Imports of Japanese-Affiliated Firms **Summary of Release Contents**

While overseas production and reverse imports by Japanese affiliated firms are in an increasing trend occasioned by the extremely strong yen during the first half of the 1990's, the actual situation, amid circumstances in which statistics are incomplete, is not known. It was based on an awareness of this problem that JETRO [Japan External Trade Organization] sent out a "Questionnaire Survey Concerning the Actual Situation of Reverse Importation" in March and April 1996 targeting 1069 Japanese parent companies that possess subsidiaries overseas, of which, supplemented by telephone and interviews concerning particular questions, replies were received from 673 companies. The key points of the results may be summed up as follows:

1) The ratio that reverse imports comprise of the total of imports by Japanese parent companies was just over 20 percent. 2) Half of firms are implementing reverse imports and half are not. 3) Two objectives of reverse imports are for using in production within the parent company and for sale outside the parent company. 4) The overseas production ratio of firms implementing reverse importation is 18.4 percent. 5) There are three types of benefits from reverse importation: cost reduction, regional strategies and risk diffusion. 6) A contraction of domestic production due to the implementation of reverse importation is prominent in the fields of textiles, electric equipment and precision machinery. 7) Meanwhile, many parent companies have taken a clear stance of avoiding the adverse influence on domestic employment caused by implementation of reverse imports.

Moreover, this survey has defined the term "reverse importation" as the export of goods that were produced locally by Japanese affiliated firms overseas to the Japanese home company.

The Current Situation of Overseas Exports and Reverse Imports of Japanese-Affiliated Firms

Occasioned by the extremely strong yen of the first half of the 1990's, it is said that the overseas expansion of Japanese firms, particularly manufacturing firms, has accelerated, accompanied by an increase instances of goods produced locally at the hands of overseas Japanese-affiliated firms being imported into Japan. However, in a situation where statistics are incomplete, it is likely that, frankly speaking, a clear picture of the total situation has been unavailable.

In the context of this problem awareness, Jetro, in order to gain a clearer picture of the actual situation, elected to perform a questionnaire survey of the current situation, defining the exports of goods produced by Japanese subsidiaries located overseas for export to their Japanese parent companies as "reverse exports."

This survey was conducted from March to April 1996. The "Questionnaire Survey Concerning the Actual Situation of Reverse Imports" was mailed to 1069 Japanese companies (in the manufacturing industry as well as businesses and wholesalers: However, among some of the manufacturers, paper pulp/petroleum and coal/other manufacturing firms, which in many cases have expanded overseas in quest of raw materials, have been intentionally excluded from consideration in order to be consistent with the objective of clarifying the actual situation of "reverse imports of products of Japanese subsidiaries in the manufacturing industry that have located overseas") which possess subsidiaries overseas. Portions of their replies found to be lacking were supplemented by individually telephoning and interviewing firms to ask specific questions, and as a result replies were received from a total of 673 companies.

The following, based on various data obtained in this series of investigations, is the actual image (fiscal 1995) of "reverse exports" by Japanese affiliated firms which has been estimated by Jetro tempered with information from the results of various existing investigations.

The Ratio that Reverse Imports Comprise of the Total Amount of Imports of Japanese Parent Companies is Just Over 20 percent.

The "ratio that products of overseas corporation comprise of total Japan parent company exports (the ratio of reverse imports to total imports)" was 19.9 percent (Table 1) indicated by data obtained in this questionnaire survey. However, as mentioned above, in calculating this ratio, industries such as paper pulp, petroleum/coal and other firms that belong to the manufacturing industry classification have been excluded. Also, it is possible to regard the reverse import and total import ratio of various industries belonging to this type as relatively higher than that of the other manufacturing industries. Consequently, taking these elements into consideration, it could be said to be certain that the actual reverse import and total import ratio of the average Japanese firm possessing overseas production subsidiaries exceeds the ratio of just over 20 percent.

Table 1. Ratio of Reverse Imports to Total Imports of Parent Companies (Units: percent)

	FY95
Total imports of parent company	**100.0**
Ratio of imports used for production w/i copany	73.3
—from overseas subsidiary (reverse imports)	6.4
Ratio of imports used for sale outside own company	26.7
—from overseas subsidiary (reverse imports)	13.5
Reverse import ratio	19.9

Data: "Questionnaire Survey Regarding the Actual Situation of Reverse Imports" (JETRO).

About Half of the Firms Are Implementing Reverse Imports and Half Are Not

It is not at all the case that all firms that have expanded overseas are performing reverse imports. Valid replies were received from 673 firms on the question asked in this survey of "Are you implementing reverse imports?" That number breaks down to 46.2 percent who replied "yes" and 45.5 percent who replied "no," so the fact that up until the present the ratio between firms implementing and not implementing reverse imports is about half and half becomes evident (Table 2). Meanwhile, however, the number of responding firms that answered "yes" to the question of "Will you aggressively expand reverse imports in the future?" in this questionnaire survey was 64.8 percent, indicating the prospect of an even higher ratio of firms engaging in reverse imports in the future.

Table 2. Reverse Imports by Industry (I)(Units: cases, percent)

	With reverse imports		Without reverse imports		Unknown		Valid answers
	(cases)	(percent)	(cases)	(percent)	(cases)	(percent)	(cases)
All industry	311	46.2	306	45.5	56	8.5	673
Food products	15	45.5	10	30.3	8	24.2	33
textiles	15	53.6	9	32.1	4	14.3	28
Chemicals	33	39.8	41	49.5	9	10.8	83
Steel	5	35.7	9	64.3	-	-	14
Nonferrous metals	12	63.2	7	36.8	-	-	19
Metal products	12	36.4	19	57.6	2	6.1	33
Gen./ind. machinery	34	32.4	61	58.1	10	9.5	105
Electric equipment	82	70.1	29	24.8	6	5.1	117
Electronic equipment	11	42.3	13	50	2	7.7	26
Transport equipment	37	52.9	29	41.4	4	5.7	70
Precision machinery	21	58.3	12	33.3	3	8.3	36
(Bus./ wholesale ind.)	34	31.2	67	61.5	8	7.3	109

Notes: Percentages for each item are out of total valid replies for the item. (I)To the question, "Will you aggressively expand reverse imports" and 19.4 percent of respondents said "We will not expand reverse imports." (I)Source: Questionnaire Survey Regarding the Actual Situation of Reverse Imports (JETRO).

The reply "We are implementing reverse imports" was most frequently received from firms in such industries as electric equipment, non-ferrous metals, precision machinery, textiles, transport equipment industries, etc., and most of those that replied "We are not implementing reverse imports" were in such industries as steel, general and production equipment, metal products, chemicals, etc. Viewed in terms of scale, even among major firms the distinguishing feature of super large firms with extremely large capital is a higher ratio of reverse importation implementation (77.8 percent of super large firms with capital of 100.0 billion yen or greater replied "we are implementing reverse importation": Table 3).

Table 3. Reverse Imports by Capital Scale

	With reverse imports		Without reverse imports		Unknown		Valid answers
	(cases)	(percent)	(cases)	(percent)	(cases)	(percent)	(cases)
(Total)	311	46.2	306	45/5	56	8.3	673

	With reverse imports		Without reverse imports		Unknown		Valid answers
10 mil Y - 100 Mil Y	19	57.6	5	15.2	9	37.4	33
100 mil Y - 1 bil Y	22	59.5	8	21.6	7	18.9	37
1 bil Y - 10 bil Y	60	55.6	29	26.9	19	27.6	108
10 bil Y - 100 bil Y	48	55.8	24	27.9	14	26.3	86
100 bil Y and over	7	77.8	2	22.2	-	-	9
No response	155	38.8	238	59.5	7	1.8	400

Notes: Percentages for each item are out of total valid replies for the item. Source: Questionnaire Survey Regarding the Actual Situation of Reverse Imports (JETRO).

For Use in Production Inside Company and for Sales to Other Companies

Two types of possible objectives were found in reverse importation. In one case the parent company has the overseas subsidiary produce parts or subassemblies to import for use in production within its own company in Japan. In the second case, in order for the parent company to directly sell domestically in Japan, it has the overseas subsidiary manufacture so-called outside sales products for import.

Using the results of this questionnaire survey, when actual reverse imports (19.9 percent of total imports) are viewed by objective in these two categories, the result was the distribution (Table 1) of 6.4 percent for the former and 13.5 percent for the latter. The fact of the ratio of the latter being higher signifies the prevalence of the trend of parent companies thinking that "instead of an orientation as parts and subassemblies for the purpose of production inside our own company, we will position as products for domestic sales outside our company."

As a footnote to this point, we should add that it is probably the case that this ratio of internal production use versus external sales use is reversed depending whether it is viewed on a reverse import base and a total import amount base.

Similarly, in viewing the results of this survey, when firms import, although imports for internal production purposes was as high as 73.3 percent, those importing for the purpose of selling them as is as domestic products was only 26.7 percent. How should this difference be interpreted? The answer can be found in the point that "although imports are oriented as the procurement of raw materials, parts, subassemblies for the parent company, imports from one's own local subsidiary are treated as products for the purpose of external sales."

The Overseas Production Ratio of Firms Implementing Reverse Imports is 18.4 percent

With regard to the overseas production ratio (overseas production v [overseas production + domestic production]), we made a careful selection of firms performing reverse imports and took an individual approach to those firms by questioning them about the actual situation of overseas production ratio in FY1994 and six years later in FY2000.

The results of this question revealed that, if limited to firms implementing reverse imports, the ratio of overseas production for fiscal year 1994 would be 18.4 percent, and it is estimated that this figure would climb to 26.8 percent by fiscal year 2000 (Table 4).

Table 4. Trends in Ration of Overseas Production for Firms Implementing Reverse Imports—by Capital Scale (Actual Figures for FY94, Projections for FY2000) (l)(Units: percent, cases)

	FY1994 overseas production ratio	FY2000 projected overseas production ratio
(Total)	18.4	26.8
10 mil Y - 100 Mil Y	25.1	39.8
100 Mil Y - 1 bil	24.1	33.4
1 bil Y - 10 bil Y	16.7	23.9
10 bil Y - 100 bil Y	9.8	15.0

	FY1994 overseas production ratio	FY2000 projected overseas production ratio
100 bil Y and over	33.2	40.0

Notes: Of the 136 firms that replied to the questions regarding FY1994 and F62000, we made an additional approach to the 96 firms that replied "We are implementing reverse imports" for the preparation of this table. (l)However, the overseas production ratio is the simple average of the overseas production ratio of firms that gave valid replies.

Further, even regarding the estimated ratio of overseas production in FY2000, there were many firms belonging to industry types with relatively low ratios in FY1994 that replied that the rate of increase compared to FY1994 would be higher. Even viewed according to capital, there were many small and medium firms as well as leading firms that replied that their ratio of overseas production in fiscal year 2000 would increase significantly compared to FY1994. It can be asserted that this reflects the situation in which firms with relatively small capital scale are still increasingly lacking a domestic means of tackling restructuring , etc., and are looking toward future overseas expansion.

The Three Benefits of Reverse Imports

We asked those firms implementing reverse imports "Why are you implementing reverse imports?" Their replies (up to three) were varied but when the responses are grouped according to their basic nature, the benefits of reverse imports can basically be condensed into the following three (refer to Table 5). [Table 5 omitted]

First of all, cutting production costs is made possible (79.1 percent of valid responses); or it becomes possible to maintain and secure competitiveness in the domestic market (44.6 percent); or it makes production segregation possible using the difference in costs between overseas and within Japan (40.5 percent). In short, this reply suggests the benefits of curbing costs and maintaining competitiveness.

Second, satisfaction of strategic necessities of such things as exporting to third party nations (15.5 percent); or it can be used as a means of avoiding trade friction (12.2 percent); or it makes possible handling with respect to regional economic spheres (10.1 percent). In short, this reply emphasizes regional strategic benefits.

Third, avoidance of exchange rate risk is possible (31.8 percent); or procurement of parts and materials is facilitated (10.1 percent); or it is possible to secure a trade balance within the firm (9.5 percent). In short, this advocates the benefits from the standpoint of risk diffusion.

Also, when the replies to this question are viewed according to capital scale, the difference between replies from firms with relatively small capital scale and super large firms with extremely large capital is remarkable. Specifically, while 93.8 percent of firms with capital funds of from 100 million yen to less than 100 billion yen listed "cutting production costs" as the biggest benefit, 71.4 percent of super large firms with capital in excess of 100 billion yen cited "avoidance of exchange rate risk," and the replies of "satisfaction of strategic requirements such as export to third party countries, etc." and "a means of avoiding trade friction" were 42.9 percent, respectively, indicative of a situation in which super-large firms are being outdone by firms with relatively small capital on the aspect of globalization of production and management.

Contraction of Domestic Production Due to Reverse Importation Is Remarkable in the Fields of Textiles, Electric Equipment and Precision Machinery

Due to the implementation of reverse imports predicated on the rise in the ratio of overseas production, there are many who express anxiety over the reduction in the amount of domestic production.

Concerning replies to these kinds of fears in this questionnaire survey, 47.1 percent said that "there is a strong possibility that domestic production is shrinking further or will shrink further in the future." In contrast to this, firms taking the fundamental perception that "domestic production will not contract in the future either" comprised as many as 35.5 percent of all replies, and the rest replied (Table 6) that "it will depend on exchange rate trends, so it is not possible to say for sure at this point."

Table 6. Impact on Future Domestic Production Accompanying Implementation of Reverse Imports (l)(Units: percent)

	No scaling back of domestic production in future	Domestic production is already being scaled back, or possibility of scaling back is great	Depends on exchange rate trends, and no clear policy can be discerned at present	Other
All industry	35.5	45.1	14.5	2.9
(Manufacturing industry)	38.5	45.9	14.8	0.8
Food products	100.0	-	-	-
Textiles	-	71.4	28.6	-
Chemicals				
64.7	17.6	17.6	-	
Steel	-	100.0	-	-
Nonferrous metal	-	100.0	-	-
Metal products	40.0	60.0	-	-
General/industrial machinery	46.7	46.7	6.7	-
Electric equipment	23.5	52.9	20.6	2.9
Electronic equipment	50.0	50.0	-	-
Transport equipment	43.5	43.5	13	-
Precision machinery	25.0	50.0	25.0	-
(Business/wholesale industry)	12.5	56.3	12.5	18.8

Notes: Percentages for each item are out of total valid replied for the item. (l)Source: Questionnaire Survey Regarding the Actual Situation of Reverse Imports (JETRO).

When the distinguishing feature of replies according to industry is viewed, in textiles there were many replies that "domestic production is already contracting or that the possibility for future contraction is great," and there were zero replies that "domestic production will not contract in the future either." Even in electric equipment and precision machinery, while not to the degree of the textile industry, nearly the same tendency was found. As an inference from these types of replies, it is speculated that electric equipment and precision machinery industries will also continue to be tested in future as well in terms of domestic restructuring and shifting of production overseas.

In contrast to this, the distinguishing feature of the food products industry is the reply by all firms that "domestic production will not contract in future either." This is because in the food products industry, where the quality of freshness and flavor is critical, and, moreover, which is predicated on daily purchases, the management policy of "fundamental domestic processing" has become the norm.

Similarly, there were many firms in the chemical industry that also replied that "domestic production will not contract in future as well." In the case of a heavy industry such as chemicals, even thought there may be talk of shifting production overseas, the amount of investment required is enormous, and the situation is such that "shifting production overseas because domestic production is relatively expensive" is not an easy matter.

Meanwhile, the reply of industry types such as the general/production machinery, electronic equipment and transport equipment was split between "there is a significant possibility that domestic production will contract" and "domestic production will not contract." Whether fears of Japan's future de-industrialization will materialize or not depends on whether domestic production of these general/production machinery, electronic equipment and transport equipment fields will contract, and their responses were split down the middle. According to the results of this questionnaire, then, no clear trend can be discerned at present.

Most Parent Companies Take a Clear Stance of Avoidance of Negative Impact of Reverse Imports on Employment

Advancing one step from the question of the impact on domestic production, with respect to the question of whether there will be an impact on domestic employment, those replies pointing out that "a negative impact will occur on regular employment" did not exceed 20 percent (Table 7) of the whole.

Table 7. Impact on Employment Accompnaying Expansion of Reverse Imports (l)(Units: percent)

	No impact at all on employment	No impact on number of regular employees, but internal adjustments being made	Reduction in number of regular employees, increase in number of part-timers	Reduction in number of regular employees, reduction in part-timers	Other
All industry	32.6	38.4	5.8	13.8	9.4
(Manufacturing industry)	30.5	40.7	5.1	14.4	9.3
Food products	71.4	28.6	-	-	-
Textiles	33.3	33.3	-	33.3	-
Chemicals	66.7	20	6.7	-	6.7
Steel	-	-	-	100.0	-
Nonferrous metal	33.3	33.3	-	33.3	-
Metal products	20.0	40.0	-	25.0	-
General/ industrial machinery	28.6	50	7.1	14.3	-
Electric equipment	24.2	45.5	3.0	9.1	18.2
Electronic equipment	-	75.0	-	25.0	-
Transport equipment	18.2	36.4	4.5	22.7	18.2
Precision machinery	12.5	62.5	25.0	-	-
(Business/wholesale industry)	45.0	25.0	10.0	10.0	10.0

Notes: Percentages for each item are out of total valid replies for the item. (l)source: Questionnaire Survey Regarding the Actual Situation of Reverse Imports (JETRO).

Viewed in a specific manner, 13.8 percent of firms responding to this question ("What impact will there be on employment?") replied that "the number of regular employees will be reduced by employment adjustment, such as curtailing new employment, early retirement mediation, etc.; moreover, part time employment will also be reduced," and 5.8 percent replied that "part timers will be increased but we will reduce the number of regular employees."

However, on the flip side of that, the vast majority of responding firms instead denied that there would be an impact on regular employment. Specifically, 38.4 percent replied that "although there will be no change in the number of regular employees, we will perform departmental adjustments such as transfers, loaning employees to other departments, etc." Also, 32.6 percent of firms replied that "there will be no impact at all on employment." Judging from these replies, viewed in the present context, it could be asserted that most Japanese parent companies have taken the stance of trying to avoid as much as possible the negative impact on employment caused by reverse imports.

Japan: Panel Seeks To Cut Corporate Tax Rate by 2 Points

OW1508115196 Tokyo KYODO in English 1118 GMT 15 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 15 KYODO — A key government panel will call for overhauling Japan's corporate tax system for the first time in 30 years, urging a 2 percentage point cut in the basic corporate tax rate from the present 37.5 percent, government sources said Thursday.

With strained national finances in mind, the Tax Commission, an advisory body to the prime minister, will urge the government to secure fiscal resources equivalent to the tax cut by reviewing various tax-deductible allowance systems, the sources said.

The commission plans to include those recommendations in an interim report to be worked out this fall, and the Finance Ministry will reflect them in its year-end work on tax system reforms for fiscal 1997, which begins next April, they said.

The 37.5 percent basis corporate tax rate is higher than 35 percent in the United States and 33 percent in Britain.

As a result, Japan's business circle has been seeking a reduction, saying the higher rate is weakening Japanese companies' competitiveness in global markets.

If Japan lowers the corporate tax rate by 2 points, the government's tax revenues will decrease by about 640 billion yen, the sources said.

The panel will ask the government to offset the decrease mainly by abolishing or scaling down six kinds of allowance systems, including those for possible loan losses, retirement and repairs, they said.

The overhauling of the corporate tax system is expected to accelerate structural reforms in Japanese industry, helping venture businesses, the sources said.

Venture companies, which have fewer opportunities to use allowance systems compared with major firms, can benefit from a cut in the corporate tax rate, they said.

For "smokestack" industries, such as steelmakers and shipbuilders, however, the envisaged corporate taxation system could increase their tax burdens as a whole, the sources said.

In the actual work on tax system reform, the government and the three ruling coalition parties are expected to have difficulties in coordinating their views, they said.

Japan: Coalition To Form Panel on 'Huge Liabilities' of JNR

OW1408122896 Tokyo KYODO in English 1125 GMT 14 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 14 KYODO — Three ruling coalition parties plan to set up a task force to determine how to dispose of 27.6 trillion yen worth of liabilities left by the now-disbanded Japanese National Railways (JNR), coalition officials said Wednesday.

The team, comprising the parties' policy-makers as well as legislators from existing panels on fiscal and transport policy, will be launched in early September, they said.

The parties have decided to formulate the team, as the Finance Ministry and Transport Ministry have failed to reconcile their differences over how to alleviate the huge liabilities, they said.

The panel is expected to recommend a disposal policy out of a few policy options, including a tax hike, issuance of deficit-covering bonds to pay for the JNR debts, or deeper cuts in government outlays to set aside funds for covering the debts, they said.

In December 1989, the cabinet of then Prime Minister Toshiki Kaifu adopted the policy obliging the government to "substantially complete the disposal of land assets" left by the JNR by the end of fiscal 1997.

The liabilities and JNR assets were taken over by a state-run debt-disposal agency, the JNR Settlement Corp., after the 1987 JNR privatization. At that time the JNR was broken up into six private Japan Railways (JR) companies and one freight railway operator.

Prior to the 1989 cabinet decision, the administration of then Prime Minister Noboru Takeshita adopted in January 1988 a policy obligating the state to pay for any debts remaining in the hands of the agency, even after it sells off the land and other assets.

Japan: Six LDP Ministers Mourn Military Dead at Yasukuni Shrine

OW1508071996 Tokyo KYODO in English 0704 GMT 15 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 15 KYODO — Six Liberal Democratic Party (LDP) cabinet ministers visited Yasukuni Shrine on Thursday to honor Japan's military war dead, including war criminals, enshrined there, on the 51st anniversary of Japan's surrender in World War II.

International Trade and Industry Minister Shumpei Tsukahara, Agriculture, Forestry and Fisheries Minister Ichizo Ohara, Home Affairs Minister Hiroyuki Kurata, Defense Agency chief Hideo Usui, Science and Technology Agency chief Hidenao Nakagawa and Transport Minister Yoshiyuki Kamei visited the shrine in central Tokyo.

Tsukahara and Kamei signed their name only, while the other five ministers wrote their cabinet titles in the visitors' book.

On July 29, Prime Minister Ryutaro Hashimoto became the first Japanese premier to visit Yasukuni Shrine since Yasuhiro Nakasone did so in 1985. Hashimoto's visit drew criticism from China and South Korea.

Some members of the LDP and the Japan War-Bereaved Association, which Hashimoto headed at one time, had urged Hashimoto to visit the shrine on Aug. 15 but Hashimoto said he chose July 29 for the visit because it was his birthday.

Justice Minister Ritsuko Nagao and Hokkaido-Okinawa Development Agency Director General Saburo Okabe went to the shrine Aug. 7 and Monday, respectively.

Cabinet ministers' visits to the shrine are controversial since Japan's postwar constitution stipulates separation of religion and the state.

During the war, the shrine was a bastion of the militarist-government-sponsored Shintoism and is dedicated to the spirits of some 2.4 million Japanese military personnel and officials who died since 1853 in Japan's various wars.

Tsukahara told reporters he refrained from writing his title in the shrine's visitors' book out of consciousness of the ruling coalition, which comprises the LDP, the Social Democratic Party and New Party Sakigake.

Ohara said he wrote only "state minister" in the book, while Kurata said he entered both his name and his title as "home affairs minister."

"I came here with natural feelings because my schoolmates died" in the war, Ohara said.

Nakagawa told reporters, "I visited the shrine as the state minister to mourn the war dead."

Usui said he went to the shrine in his private capacity although he wrote his title as "defense agency director general."

Japan: Journalist on 'Triumph' of Japan's FS-X

OW1408232896 Tokyo GUNJI KENKYU in Japanese Aug 96 pp 114-129

[Article by Isao Miyamoto, aerospace journalist; originally titled "Triumph of FS-X; F-2 Incorporates Three Major Domestic Technologies, Is Japanese Military Aircraft for 21st Century?"]

[FBIS Translated Text] Japan's dream of developing a domestic FS-X fighter vanished, but unique Japanese technologies accumulated over more than a decade were put to good use in the XF-2. Thus came into being a remarkable fighter aircraft that, although based on the F-16, overall represented something developed totally new. How were these technologies incorporated into the XF-2? This article analyzes the present situation when it comes to Japan's advanced domestically produced aircraft technologies and research for them.

Illusion of Domestic FS-X

Regular manufacture of the Air Self-Defense Force's [ASDF] next-generation support fighter aircraft (originally known as the FS-X, now called the XF-2), a plane that caused so much discord as to become eventually a Japan-U.S. political problem, is finally scheduled to commence during this fiscal year. The FY1996 budget allocates money for the procurement of twelve aircraft as the initial contract portion. The name "FS-X" (Fighter Support Experimental) first appeared in 1981, when money for this next-generation fighter was included in the FY1981 mid-term operations estimates. Now after various forms of deference and 15 years elapsed time, this plane is finally ready to start rolling off the assembly lines. The decision was made to create the F-2 through Japan-U.S. joint development, but that was not the way Japan originally wanted things to go. Rather it was the result of Japan bowing under strong pressure from the United States. However, apart from this pressure from the United States, it was true that there was a great bottleneck to the domestic development plans for the aircraft. Let us take a look back at the development plans for this "phantom" domestic FS-X that never saw the light of day. When it comes to the question of domestic development of the FS-X, it would appear that at one point at the start the Defense Agency had more or less decided for certain that this would be a domestic project. The first step towards the domestic manufacture of the FS-X was taken on 6 December 1984. On that day, at a counselor-level conference held within the Defense Agency, it was decided to extend the service life for the F-1 support fighter and also to proceed with development of a new aircraft. The policy adopted at that time was "to explore the technological possibilities when it comes to domestically developing a successor for the F-1." In other words, it was decided to conduct a study into the technical feasibility of domestically manufacturing the successor to the F-1. Based on this decision at the counselors' meeting, then ASDF Chief of Staff Hiroshi Morishige requested that Yukie Omori, head of the Defense Agency's Technical Research and Development Institute (TRDI), conduct the study. The official request came down on 27 January 1985. At this point, for the first time the officers in ASDF's Air Staff Office [ASO] responsible for the project gave an outline of the operational requirements for the FS-X. The deadline for the report on the results of the study was set for the end of March the same year. TRDI, which received this request, estimated that, since Japan from the early 1970's had been researching the key technologies for a future fighter, Japan was capable on its own of developing nearly all the technologies required, except for developing the engine, for a successor aircraft to the F-1. At the end of March 1985, Omori presented ASO Chief Mori with an interim report stating in part: "It is possible to develop domestically a next-generation fighter based on the capabilities requested by the ASO. It would take around ten years to develop." In other words, this represented the opening gambit in the domestic development of the FS-X. Actually, within TRDI there had been plans for the development of a domestic fighter dating back to the early 1970s. No matter what the age or the sector, engineers always have their eyes glued on the future. Thereafter, TRDI-led research projects incorporating the path of domestic FS-X development were called "critical technical research for a future fighter aircraft." The research undertaken chronologically broke down as follows: research on the fighter's configuration research on the composite materials structure (T-2CCV) research for a aircraft with upgraded maneuverability research on futuristic fire control devices research on computers for installation on the fighter research on on-board integrated electronic warfare systems research on future inertial standardization devices research on RCS (reaction control system) reduction configurations (stress)

Research took place on various element technologies with no apparent direct connection. We can see from the start, however, that all of them could be coordinated so that overall they would end up with a superb jet fighter. However, we simply do not know whether when all this research was first undertaken the researchers were thinking of tying together this "component technologies research for a future fighter" to the concept of the FS-X.

However, as a result of this cumulative research, a current for the domestic development of the FS-X was created. So it seams fair to conclude that these technologies converged with an eye to seeing it become a reality. If the government side (the Defense Agency) was inclined to pursue domestic development of the FS-X, there was no reason to assume that the manufacturing side (private companies) would oppose it. In fact, there were comments like these: "We would very much like to produce the FS-X in Japan" and "We cannot hope for improved technological prowess through licensed domestic production; and when it comes to lifestyle costs, domestic development is by no means expensive." So the domestic defense industry could see nothing but numerous merits to the idea, and strongly expressed its hope for domestic development of the new aircraft.

Dubbed JF210 within MHI

In order to strengthen this support for domestic development, a detailed plan was needed for presentation. In March 1985, at the same time that TRDI presented its interim report to the ASO, Mitsubishi Heavy Industries, Ltd. [MHI] came up with its own plan for a jet fighter. According to what has been revealed, MHI began to look into a successor of its own for the F-1 back in 1979. Within MHI, the proposed aircraft was dubbed the "JF210." The fighter plan called for the development of a cleanly configured aircraft with a fully equipped weight of around 11.5 tons (more that 25,000 pounds) that would have twin F404 turbofan engines manufactured by General Electric Corp. of the United States. The company hoped to apply stealth technologies, in addition to making it a CCV (control configured vehicle, which means enhancing its maneuverability).

The three components of CCV, stealth, and electronic warfare were the deciding three key words for fighter aircraft of the 21st century. That was already clear at that time. It was also decided to equip the JF210 with a glass cockpit. On the other hand, in terms of capabilities, the aircraft was to have superior acceleration and control functions as well as a top speed of around 1.9 Mach. It was also to carry four ASM-1 air-to-ship missiles and have an operational radius of approximately 500 nautical miles.

However, in the end this plan never saw the light of day. The dream of domestic development of the FS-X turned out to be merely an illusion. That was because the United States expressed strenuous opposition to the idea of Japan independently developing the FS-X and, as you know, that led to the political decision to pursue joint Japan-U.S. development of the aircraft. Japan could have gone ahead with independent development of the aircraft. In that event, however, it is likely that the U.S. Government would not have granted approval for the export of the F404 engines to Japan. As I have already indicated, the basic conclusion of TRDI's report was that in developing an F-1 successor aircraft, Japan was "capable of almost all domestic production, with the exception of the engines." In general, the elements required for the development of an aircraft can be divided into three major groups: the fuselage, the engines, and on-board equipment. Without all of these three key elements, there is no finished aircraft.

The plan for domestic production of the FS-X was completed as far as the fuselage and on-board equipment was concerned. The blueprints called for only the engines to be imported from the United States. The end result was that the engines became the bottleneck in the project. Therefore, if Japan had possessed its own technology for developing engines for supersonic fighter aircraft, there is a chance that the saga of the FS-X would have ended differently than it did.

Three Major Domestic Technologies for F-2

The dream of domestic development of the FS-X had evaporated, but that does not mean that the decade of accumulated technical development did not yield fruit. Distinctive Japanese technologies were put to good use in the development of the XF-2. Even though the F-16 served as the base for the aircraft, the project gave birth to a remarkable fighter aircraft that overall was newly developed. That being so, how exactly did these technical development results give birth to the XF-2?

Among the new Japanese technologies incorporated into the F-2 support fighters, we can cite as especially valuable the co-cured main wings made from composite materials and the advanced on-board electronic equipment, represented by active phased array radar. In addition, it also employs radar absorbent materials [RAM] to improve the aircraft's stealth qualities. Besides, the domestically developed flight control software in the flight controls for the F-16 fighter might be considered as one of Japan own technologies.

Co-cured Main Wings Using Composite Materials

In the joint development of the next-generation support fighter, the technology of greatest interest to the United States was that used in the co-cured main wings made from composite materials. The concept for these co-cured wings made from composite materials started with the idea of how to use the special characteristics of composite materials to the greatest extent possible to create light, highly strong main wings. In the past, when it came to composite material structures, even though they were referred to as such, they really followed the structural form of metal construction, simply replacing the original metal materials with aluminum alloys and so on. That allowed them to make aircraft lighter than if metal materials were used. However, if we take the example of the highly strong CFRP [carbon fiber reinforced plastics] composite materials, because carbon fibers are used to strengthen the component elements, if during the fabrication stage drills or other tools are used to drill holes in the materials that will cut the fibers and decrease their strength. Therefore, it was decided that a co-cured structure would be the best way to limit decreases in strength to the greatest degree possible. Consequently, "research for application of composite material construction in main wings" became one of TRDI's lead research projects. This research commenced in 1981, and in the following year it was decided to adopt a beam-interval construction, while estimation of the design weight, selection of the basic structural types, and so on, was to be entrusted to outside contractors. In 1983 engineers moved on to producing test models of partial structures, and it was expected that after the completion of a series of functional verification tests, they would be able to establish the co-cured main wing structure incorporating composite materials. If you visit TRDI's 3rd Research Center in Tachikawa City, Tokyo, you can see a large co-cured main frame test structure at the entrance to the fuselage test grounds. This is one of the few examples in the world of a composite materials main wing beam-interval structured test craft. This co-cured composite material true-scale large construction was built between FY1985 and FY1987, and was used for performance verification testing. In April 1995, I had the opportunity to inspect this co-cured main wing beam-interval structure. From what I could tell, the dimensions of this model were larger than the main wing of the F-2. Although the design could hardly be characterized as "smart," there were absolutely no differences when it came to the structural form in which the upper outer panels are layered over the lower section of the main wings that have an integrated form for the lower outer panels, beams and strengthening ribs. I was told the weight was about 150 kg. So that would mean that weight savings of approximately 20 percent had been achieved for each of the main wings, including the upper outer panels. The F-2 incorporates main wings with the same kind of structural forms. In other words, when it comes to the direction of the spans, from the ribs where the root joints of the cantilever wings to the ribs in the tips of the wings, it is a forward-oriented arrangement, with the beam-interval structure surrounding the connection beams that unite the forward flange flaps and rear flange flaps consisting of integrated composite materials. The ribs where these beams are directly connected and the lower section outer panels are also of co-cured structure. And the structure is so designed that later the upper section outer panels are put in place with fasteners. The use of these co-cured wings made with composite materials, means that although the F-2 has roughly 20 percent more main wing area than for the F-16, these wings weigh about the same as those for the F-16. In addition, the United States quickly noted our technical superiority in this area. Based on the Japan-U.S. joint agreement, there has been technological transfer of this technology to Lockheed-Martin Corp. Even at the manufacturing stage, when it comes to the production of the test models, the plan is to have MHI and Lockheed each produce one of the main wings, which will then be used in the same aircraft.

First Practical Phased Array Radar for Use on Jet Fighter

Another unique Japanese technology is the active phased array fire control radar. Research in this area began with attempts to adapt Japan's superior civilian-use electronic equipment technologies for defense purposes. From FY1981 to FY1987 one of the main important research themes pursued by TRDI was "research on future fire control devices."

With conventional radar, antennas automatically scan for targets. Since with the E-3 AWACS (early-warning and control aircraft) the scanning is carried out horizontally by antennas that automatically revolve 360 degrees, this system is referred to as the "rotor dome." In contrast to this automatic scanning method, the active phased array radar (APAR) system electronically controls the radar beam scanning function. Since the interference effect of radar electromagnetic waves is utilized to control the direction of the radar (radio) beams, there is no need to mechanically move an antenna. In the case of APAR, numerous active transmission modules go to make up the antennae. Since each of these modules incorporates many semiconductor circuits, they can create radar beams whose power rival those of large antennas. Because this method does away with the movements of a mechanical antenna, it offers superior reliability, and is expected to become the mainstream variety of next-generation radar. When it comes to the use of this type of radar on fighter aircraft, in addition to the XF-2, it is also scheduled to be placed aboard Lockheed's F-22's. However, since it has still not actually been placed aboard the F-22, we can say that as things now stand, the XF-2 is still one step in the lead. So it is the first aircraft in the world to make practical use of this type of radar. This, then, is another one of the our new technologies in which the United States has expressed much interest.

Digital Flight Control

Another deciding factor in the XF-2's development was the digital flight control technology. As you know, the aircraft modified to become the mother aircraft for the XF-2 is the F-16C jet fighter, which uses a digitally controlled fly-by-wire (FBW) system. The software that operates the flight control computer at the heart of the FBW system is called the "source code." When the FS-X was first conceived, it was thought that this existing software would be provided by the United States. However, later it was decided to scrap that idea. So Japan was faced with one of two choices: (1) to depend on U.S. manufacturers to develop the new software or (2) for Japan to develop its own software. The Japanese side decided to develop the technology on its own. When it did, through the development of the T-2CVV research aircraft (see related explanation), it was able to establish the required FBW technology. Another critical factor was the fact that many of the engineers who had been involved in the development of the T-2CVV research aircraft also participated in the development of the FS-X/XF-2. It seems fair to say that their previous achievements and the self-confidence that they bred helped them to stick to the critical development schedule. The FBW for the F-2, although the same category of fly-by-wire system, is different in composition from the system used in the F-16. In the case of the F-16, it is a four-channel system, with it possible to fly on a minimum of two channels. In contrast, the F-2 has a three-layer system, which can continue to fly on a single system if its other two systems are knocked out. Because of this "two-fail operative" feature of the triple system, the F-2 has the same level of reliability as the F-16 with its quadruple system. It might be going too far to say that it was to be expected, but the XF-2 completed its maiden flight without any problems. Although it can be said that great strides have been made in simulation technology using computers, it is not sufficient to develop simulations only for the parts involved in landings and takeoffs. Especially when it comes to aircraft with FBW systems, it is a given that it is especially difficult to prevent the PIO phenomenon (in which vibration resulting from pilot maneuvers cannot be focused, and therefore diffuses). It is well known that the crash incidents of prototype aircraft during the development of the Lockheed YF-22 in the United States were attributable to PIO. When we consider the conditions that might give rise to this problem, we have to give the XF-2 test craft high marks for the way in which it was able to make its maiden flight without any special problems.

For various reasons, the development of the FS-X/F-2 reflected research achievements to date, and we should not forget how the lessons of the past were put to good use in it.

Was F-2 Joint Development Victory for Japan?

The FS-X/F-2 was the first case in which Japan and the United States engaged in joint development of a weapons system. It took place within a framework of modification development for the U.S. F-16 fighter aircraft, but the Japanese side took the lead as far as actual development was concerned. What, then, do those Japanese who participated in this case of Japan-U.S. joint development think of the experience. Also, how does the United States view the end result, namely the F-2 fighter aircraft?

"Let me tell you the reasons why the FS-X ended up as a Japan-U.S. joint development project. The most important reason was none other than the enthusiasm that the Japan side displayed for development. Another factor we might cite is the fact that Japan possessed its own unique technologies when it came to the integrated main wing made of composite materials, the active phased radar, and so on. The United States also recognized these as categories of new technologies, moreover areas in which Japan seemed to hold a technological lead over the United States.

"The idea that in exchange for the transfer of technical data on the F-16 fighter aircraft from General Dynamics Corp. (the current Lockheed-Martin Corp.) to Japan, the United States might be able to receive the technologies to which I referred earlier must have been extremely persuasive as far as the U.S. Government was concerned." So said Kuniichi Kanda, the chief of engineers at MHI's Nagoya Aerospace Systems Factory, during a mid-April lecture at the Aerospace Hall (Koku Kaikan) regarding the background to the Japan-U.S. joint development of the FS-X. In other words, his view was that the R&D results that had been accumulated by Japan, especially TRDI, became the driving force propelling joint Japan-U.S. development of the FS-X. As was explained earlier, there were three critical Japanese technologies applied to the FS-X/XF-2: (1) the co-cured main wings made of composite materials, (2) the active phased array radar, and (3) digital flight control. Regarding them, Kanda said: "It was primarily because the United States could acquire these three critical technologies that Japan took the lead position in the development of the XF-2. It would of course have been true with independent development, but here Japan keenly felt that if it was to take the principal role in promoting a plan for joint development, then it would have to bring to it some of its unique technologies." As you probably know, the scale of changes need to modify the F-16 into the F-2 was rather substantial. So great in fact that actually the F-2 ended up being a completely new type of aircraft. The main aspects that set it apart are as follows: (1) Its turning capabilities were upgraded (through increases the surface of the main wings).

(2) It was made lighter; advanced materials and advanced structural technologies were applied (through liberal use of composite technologies). (3) Its lift capability was improved; that is to say, it was equipped with engines with more thrust (the F110-GE-129 engine). (4) Its stealth characteristics were improved through the use of RAM. (5) Its fire control capabilities were upgraded through the use of active phased array radar and other advanced on-board electronics equipment. The sizable scale of these modifications would indicate that in quite a few cases engineers in the United States had been on the wrong track. That is indicated in the following excerpt from a report from the Rand Corporation, the civilian U.S. think tank, quoted by Mr. Kanda in his speech. "Although the agreement on joint development called for minimum modification to the F-16, the XF-2 has ended up as a fighter aircraft developed completely new by Japan" This excerpt clearly shows that the United States was operating under misconceptions. Mr. Kanda went on to remark: "If we were to make technical specifications for all of the ASO's performance requests, we would end up with these results (the XF-2). This point is something that was defended in such as way as to cause no embarrassment. As far as I know, from the time of the first understanding there was no change whatsoever when it came to the categories for capability improvement. It would be correct to say that in order to upgrade capabilities, when it came to the stage of drawing up the blueprints, the aircraft (fuselage) was changed completely. But this is a point that we can hardly enjoy discussing." The demand to use the F-16 jet fighter and to modify it into the essentially different FS-X/F-2 might be likened to taking a one-story bungalow and transforming it into a two-story house. Since it would not be possible to leave the first floor untouched and then add on the second story, work would also probably have to be done on the first floor, such as strengthening the pillars or even doing something with the foundation. In the same fashion, during the process of modification from the F-16 to the XF-2, there were undoubtedly changes, including in areas not visible. There is plenty of room to imagine such changes. So in this respect, the United States would seem to be clearly mistaken in its assumptions. The Rand Corporation report also included the following analysis: "In any event, the XF-2 certainly gives Japanese industry the right to enter the global club of countries developing patented advanced jet fighters. Consequently, in the future Japanese manu-

facturers over the long term when it comes to development of jet fighters are likely to become involved with U.S. manufacturers of fighter aircraft and with security policies."

The analysis in this report from a private U.S. company is practically identical to that found in another report issued by the U.S. General Accounting Office. Its gist was as follows: "Because of the large-scale of the F-16 modification process, the XF-2 was able to incorporate Japanese technologies to the largest extent possible. As a result, it seems likely that in the future when it comes to aircraft for use by the Defense Agency, the Japanese will be less dependent on U.S. companies." There is a common point of analysis in these two reports. That is that because of the joint Japan-U.S. research for the FS-X/F-2, Japan now possesses the capability to develop world class-level fighter aircraft. The United States is quietly cognizant of that fact. In fact, the reason that the United States had opposed Japan's self-development of the FS-X from the start was precisely that it did not want to see Japan possess this kind of fighter development capability. However, things worked out totally different from the U.S. thinking, and the United States itself has recognized that fact. What an ironic result to the whole business. Kanda concluded as follows in his remarks: "From the standpoint of those individuals who are going to be providing support for the operation of fighter aircraft, a technological capability roughly equivalent to that for development technology is required. As long as the ASDF is using fighter aircraft, it is only natural that it should be thinking in terms of having such a (domestic) capability. The companies involved would like to be able to upgrade the technologies acquired (through the development of the XF-2). The way of doing things exemplified by the XF-2 project is not ideal, but I hope that for both sides it can serve as a base for establishing a framework for better Japan-U.S. joint development, and for building better bilateral relations."

Promoting Technology Demonstration Research

In the Japan-U.S. joint development of the FS-X/F-2, Japan won and the United States lost. At least that seems to be the way that the United States interprets the outcome. What kind of recognition is there on the Japanese side? It is hard to fathom the real thinking of the Japanese involved, but at least I think it fair to say that none of the Japanese involved feel that they won in the affair. The reason why that is so is that the aircraft that Japan wished to produce would have been a true domestically produced support fighter aircraft developed on its own. Initially, there was no intention of building a modified version of the F-16. It is true that technology Japan developed on its own are reflected in the XF-2. However, these men still exude the feeling that they lost to the United States. You might characterize the feeling prevalent among those involved on the Japanese side as, "We might have won the battle, but we lost the war." Whether a victory or a defeat, however, it is certain that major lessons applicable to future technical development remain from the joint Japan-U.S. development of the FS-X/XF-2. Among them are the importance of having our own technological strength and not drifting away from technology sectors. If we only confine our analysis to the technical aspects of the next-generation support fighter's development, we can see that Japan's greatest weakness was its inability to independently develop the engines for the aircraft. If Japan's independent technological capabilities had included a capability for engines, there is quit a good chance that Japan would have proceeded to develop a totally domestically produced support fighter. Nevertheless, we have no way of knowing whether such a fighter would have surpassed the XF-2 in terms of capabilities. Until now, I have been discussing the XF-2 as an example of how the results obtained through research on component technologies can be put to use, and how they will be evaluated. The XF-2 development project may be a thing of the past, but it goes without saying that technical development is by no means finished. What kinds of themes are being tackled now regarding aircraft technology. What kind of equipment will likely be developed as a result? In this regard, let us look into the future from the perspective of the present. Among TRDI's current R&D projects related to complete, apart from the XF-2, there is the light observation helicopter OH-X and the modified US-1A rescue aircraft. A third project, relatively small in scale, is the multifunctional, compact unmanned aircraft (discussed in GUNJI KENKYU's July issue). The development of the OH-X began in FY1992. The roll-out ceremony for the first test aircraft took place on 15 March 1996. Its maiden flight is scheduled for this summer, and plans call for development to end by the end of FY1999. (For details, see the July issue.)

On the other hand, the development of the modified US-1A rescue aircraft is only commencing from this fiscal year. During FY1996, design and prototype work will begin; the goal is to finish the development project by the end of FY2003. The engines for the aircraft will be imported from the United States. Among the unique Japanese technologies for incorporation into the new aircraft are a fly-by-wire steering system, large-scale use of carbon fiber composite materials (through CFRP for the main wings, tail wing, wave-reduction panels of the fuselage, floats, etc.), and an integrated instrument panel for the pilot's seat (enclosed within a glass cockpit). In the area of equipment development, we can cite research test models of ECM (electronic counter measures) devices for use on escort craft, per ASO request (begun in FY1994), the development of emission-type ECM devices for use on fighters (begun in FY1995), and the development of external FLIR (forward looking infrared) equipment (just starting in FY1996). All of this equipment is scheduled to be installed on ASDF fighters (F-15's and F-2's). The ECM equipment for use on escorts represents the first case of ASDF development plans for escort jammer equipment. This equipment will be carried outside below the wings of the F-15J. As with the F-2 support fighter, it will be used for conducting electronic combat support. It will possess capabilities superior to those of the U.S. Navy's EA-6B and will be the world's first single-seater electronic warfare support aircraft. Project R&D began from FY1994; development is scheduled to be completed by the end of FY1999. Another form of emission-type ECM equipment for use on fighters that can be thought of is a automatic jamming device for self-defense that can be ejected from the F-15's chaff/flair ejection devices. Radar-guided air-to-air missiles (AAM) are primarily used in this regard. Although on the one hand it is essential to overcome the deficiencies of chaff, since they are only used once and then discarded, that means that the price must be kept relatively inexpensive. In addition to the firing payload, the development involves all aspects of the expulsion systems, but still the process is scheduled to be finished by the end of FY1999. FLIR equipment for outside positioning are IR sensors for fighter aircraft use of the pod type that can provide infrared imaging of targets at night, during poor weather, or in an electronic warfare environment. Researchers are thinking primarily in terms of installing this equipment on the F-2, and development is being carried out to predict the development possibilities for FLIR pods to be installed on that same aircraft.

This system has capabilities that rival those of the U.S.-produced lantern pods for navigation, the AAQ-13. Unlike the lantern,however, it does not offer a terrain radar function. The reason why it was only provided with an infrared imaging indicator function is to answer the demand for bringing down costs and a desire to distinguish it from the lantern. It is based on research carried out on a FLIR device for use on fighter aircraft carried out for six years from 1988, and development is commencing this year. It is expected to be completed during FY2001. The items mentioned above pertain solely to technical development of equipment based on short-term predictions, as an extension of the results of the components technological research conducted up until now. But what kinds of medium to long-term R&D themes are we likely to see for future projects? The R&D section of the Mid-Term Defense Program [MTDP] adopted by the Cabinet in December 1995 had this to say: "(abbreviated) Also, in addition to working to enhance the technology research and development system, we need to fully plan for trends in technological progress, etc. and to invest in the establishment of advanced technologies, by conducting various forms of research including technology demonstration research."

When it comes to technology demonstration research, work in this area is intended to be carried out for five years from FY1996. It is a key term as far as the MTDP's technology R&D aspect.

Plans for Advanced Technology Demonstration

From several years ago, the "development of advanced technology demonstration equipment" became a major topic. However, the concept does not conceive of practical immediate applications of advanced technology demonstration equipment, but rather to gather together the major achievements that have come from the results gained through accumulated technology research and to use them to upgrade technological capabilities. I believe that the English term for this kind of equipment, "technical demonstrator," clarifies what is involved here. When it comes to government development of aircraft until now, technical development has been initiated in response to requests from the staffs of the Ground Self-Defense Force [GSDF], Maritime Self-Defense Force [MSDF], and ASDF. To give examples involving only the ASDF, there are the T-1A/B, C-1, T-2/F-1, T-2CCV research aircraft, T-4, and XF-2. However, since the T-2CCV was purely a research aircraft, it was the single example in which general production was not envisaged from the start.

The method is thus based on the premise that development equals production. Consequently, in addition to the demanded performance and development schedule, there are budget constraints, and therefore little hope for bold technical challenges. Even if new technologies are applied, it will only be in areas where vigorous technical development will lead to very promising prospects. There is nothing wrong with that in itself, but among those involved on the development side there are regrets that there are no hopes for technological leaps. It might be a bit of an exaggeration, but the envisaged advanced technology demonstration equipment seems to be a plan for breaking this impasse. However, it has already been close to a decade since the concept of advanced technology verification equipment first was developed. Precisely because of the existence of the advanced technology verification equipment concept, development of the FS- X/XF-2 was conducted during the entire preceding mid-term defense plan (lasting from FY1991 to FY1995); development then began in turn on the OH-X new light observation helicopter. Since two new aircraft development projects were being conducted simultaneously, there did not appear to be leeway to undertake a third. But now it would seem that there is enough leeway to give some attention at last to the advanced technology verification craft plan. It seems that under the original plan, development was supposed to commence in FY1996 but after study postponed until later. After first giving priority to components research—which has a very strong advanced technology character to it—a policy was adopted for the development of a full-scale advanced technology verification aircraft that masses a large number of these component technologies together. In other words, the philosophy was not "the technology verification aircraft or bust from the start," but rather to adopt a slow-but-steady method for developing the verification craft based on accumulated research on the technologies to be incorporated. Well then, what kind of technologies can we expect to see incorporated into the advanced technology verification aircraft that is likely to make its appearance in the near future? When assessed from the standpoint of the present trends regarding technological research, we can foresee the incorporation of the following technologies.

Stealth Technology/High Maneuverability Configurations

When we consider futuristic fighter aircraft, two indispensable technologies will be stealth and highly maneuverability configurations. Among aircraft that have sought to incorporate stealth technologies to the maximum degree possible are the Lockheed F-117A and the Northrop B-2. Leaving aside the question of the B-2 fighter bomber, we have the F-117A. Although it is included in the "fighter" category, it is actually an attack aircraft and cannot boast of the same degree of maneuverability as the F-15 and F-16. Then there is the F-22 fighter now under development by Lockheed Corp. The emphasis on high maneuverability for the aircraft has naturally led to demands for stealth characteristics. It seems fair to say that at present it is very difficult to achieve both stealth characteristics and maneuverability. Well then, what is the present situation regarding the trade off between stealth characteristics and high maneuverability? Also, when it comes to plans for future fighters, is there really a need for stealth and high maneuverability? If so, to what level are they required? At present, there are any number of doubts. The research testing beginning from FY1996 will investigate the actual situation. The advanced technology verification aircraft might be considered an extension of these efforts.

Engine with High Thrust-to-Weight Ratio

It was already indicated that Japan's not having its own engine technology proved one of the major bottlenecks to its development of a domestic support fighter aircraft. As a result of this bitter lesson, in order to promote domestic development of aircraft in the future one of the indispensable conditions is the possession of highly efficient engine technologies. One of the present research objectives is the development of a demonstration engine with thrust in the 5-ton class (approximately 15,000 pounds). A research and testing plan expected to last around 10 years began from FY1996. The goal of this plan is to acquire domestic turbo-fan engine technologies with after-burners, which will be indispensable as propulsion systems for supersonic fighters. For that reason, it has been decided to undertake research on all aspects of the design and manufacture of these engines, as well as systems integration technologies.

It might also be concluded that by developing a higher scale of capability for these test engines, we will be able to install them on the successor to the C-1 transport aircraft (dubbed the C-X) and multipurpose patrol aircraft (MPA). These are long-term research projects that are not expected to end until FY2004. In any event, in the future we can expect to see domestic development of practical aircraft engines with thrust of the 10-ton level. As part of the effort to develop domestic engines for the future, researchers are also building engine aerodynamic test equipment. TRDI is developing such a facility with an area of approximately 100,000 square meters within the GSDF base at Higashi Chitose. It is being established as part of the aerodynamic propulsion research center. This started with the creation of a combustion air tunnel mechanism in FY1992. In FY1993 there began installation of engine aerodynamic performance test equipment. Then from FY1995 installation began for "triple sonic" wind tunnel mechanisms. By "triple sonic" we mean the capability to test three speed sectors: namely subsonic speed, sonic speed, and supersonic speed. These aerodynamic propulsion research facilities are being established by the TRDI with the objective of strengthening the base of the research and development system connected with aircraft and missiles. It is expected that all of these facilities will be completed by around FY2001.

Conformal Radar

Conformal radar is a futuristic type of radar that comprehensively integrates antenna characteristics for the external configurations of both aircraft and ships, and also offers the capability of simultaneously responding to multiple targets. In order to make this kind of radar a reality, it is essential to create antenna technologies that can apply to a wide variety of external configurations for on-board platforms. When it comes to fuselage configurations pursued for their stealth features and high mobility, the question of how to make use of conformal radar will be one of the questions that will have to be faced, since it will be one of the critical component technologies for the test verification aircraft. In addition, as far as the flight control sector is concerned, there is the fly-by-light optical guidance system. In the fuselage structure sector, when it comes to research themes for the advanced technology verification aircraft, there are also such things as new composite materials structures, and for engine-related matters devices to reduce infrared rays, and so on. The fly-by-light technology have attracted attention as a way to upgrade the performance of aircraft by providing them with a brand new form of guidance system. For their guidance signals they use light instead of electronic signals. Their special feature is that they are highly resistant to electromagnetic interference. In addition, the functional oil pressure will be increased from the current 3,000- 5,000 pounds/square inch to 8,000 pounds/square inch. That in turn will make it possible to reduce the weight of the oil pressure system. As was noted above, development of the advanced technology verification aircraft is slated to begin under the current mid-term defense plan and that seems certain to occur. Because of the role that the T-2CCV research aircraft played in the development of the XF-2, expectations for the technology verification aircraft are quite high. Nevertheless, if the advanced technology verification aircraft is used solely for technology demonstration purposes, its significance will be reduced by half. That is so because there would be no connection to the future development of new technologies. Therefore, it is necessary to link it with future types of development. For that reason, researchers must be presented with a clear development vision. There are currently rumors about the domestic development of such craft as the successor to the C-1 cargo aircraft (referred to as the C-X) and multipurpose patrol aircraft (MPA). But assuming that these things go ahead as planned, then the question next becomes what aircraft should we aim to develop after that? Should we go for a domestically produced jet fighter this time after all? One thing is for sure, in the future it will not be possible to develop aircraft for the benefit solely of the engineers and end users without first clearly explaining matters to the nation's people and winning their support.

T-2CCV Research Aircraft

The T-2CCV research aircraft was part of TRDI's comprehensive plan for the domestic development of a next-generation fighter aircraft. Work began on it in FY1978 as a plan to incorporate control configuration vehicle (CCV) technology into a test aircraft. Money was budgeted for the project four times from FY1978 to FY1981 totaling around 6.1 billion yen with a prototype being developed, followed by a completed aircraft in April 1983.

This CCV research vehicle concept came into being during the early 1970s. A CCV aircraft might be characterized as an "aircraft with enhanced mobility," and the technology involved the integration of canard wings, fly-by-wire electronic guidance devices, and such coordinated by an on-board computer. Because aircraft equipped with such computer-controlled guidance devices are capable of movements that conventional aircraft cannot perform, it was recognized that this would be one of the indispensable technologies for a next-generation fighter aircraft. Therefore, project engineers decided to build a full-scale technology testing aircraft for actual verification testing, in order that the results might be reflected in a domestically manufactured next-generation fighter. Thus, the plans for the T- 2CCV test vehicle were based on such considerations. Important modifications made to the T-2 trainer included: (1) addition of horizontal canards and perpendicular canards; (2) installation of a digital FBW system, CCV controller, and interface units; and (3) modifications in the rear connective flap on the main wing (i.e. modification of the air combat flap). The key elements of this program had to do not with the aircraft itself, but rather with the CCV controller. It was decided that the CCV controller, in other words the on-board digital computer, would be developed using technologies unique to Japan's aircraft electronics industry. The FBW system for use in the T-2CCV research aircraft was of the digital triple "two-fail operative" type. Because it was a triple system, it offered multiplex backup, which is to say that even if two of the systems were damaged, the aircraft would keep on flying. The U.S. F-16 fighter was the first aircraft to use a FBW system and it had a quadruple analog system. Therefore, it might be said that the plan to equip the T-2CCV research aircraft with a digital triple-type system constituted a formidable technological challenge. What made it possible was the fact that the FBW system was equipped with a byte-check function, which gave it the prospects of offering reliability on a par with a quadruple system. The FBW system for the T-2CCV research aircraft was capable of mutually comparing the number of digital signal bytes representing output in each of the systems. If the number of bytes was the same in all of the systems, then everything was normal. But if there was a discrepancy, then the "majority decision" method was employed to discover the abnormality, so that the system that was damaged could be cut off. The mechanism also allowed for a case where a discrepancy were to arise between the two remaining systems, so that their self- diagnosis functions would be activated to check for malfunctions. Then once the system that was causing the trouble was cut off the aircraft would continue to fly. Because the aircraft's guidance system would remain operative even after two of its systems had malfunctioned, it came to be referred to as the "triple, two-fail operative." It was decided to continue to use this triple digital FBW system, which was based on flight test results for the T-2CCV research aircraft, in the same form in the F-2 support fighter. Incidentally, the T-2CCV research craft employed five types of CV modes, namely: CA, offering optimum control; RSS (relaxed static stability); DLC (direct lift control) for up-down movement, up-down oscillation, lift); DSC (direct sideway control) for left-right movement, left-right oscillation, flat rotation); MLC (maneuver load control). Although compared to other countries Japan might have had a late start when it comes to FBW/CCV research, it should be noted that when it comes to the scale of plans for the T-2CCV research aircraft, they surpassed those for the U.S. YF-16CCV plan. When it comes to the external characteristics of the T-2CCV research aircraft that might attract immediate attention, we have to make mention of the horizontal and perpendicular canards. Among these the horizontal canards create minus conditions as far as aerodynamic stability is concerned, with the aim of confirming the RSS technology. The addition of these horizontal canards provided the T-2CCV research aircraft with a vertical/lengthwise stability margin of minus five percent MAC (mean aerodynamic center). On the other hand, the vertical canards are used in the rudder assembly, with the aim of verifying the DSC technology. We should also note that in addition to these horizontal and vertical canards, a carbon fiber compound materials (CFRP) structure is also employed. The showpieces among the CCV modes used within the aircraft would undoubtedly be the DLC and DSC modes. The DLC mode causes the flaps, horizontal tail wing, spoilers, etc. to move harmoniously. This makes possible movements hitherto impossible with conventional aircraft, such as up-down movement, up-down oscillation (pointing), etc. within a given angle of attack, or up-down transition movement within a maintained angle of pitch, and so on.

As a result of flight testing, it was determined that with the DLC pointing mode, during horizontal flight the attitude angle alone could be adjusted, and that up-down oscillation of around three degrees could be conducted. Similarly, with the transition mode it was possible to move up or down with the azimuth and the attitude angle maintained on the horizontal. These features were rehearsed under conditions of higher speeds, at an altitude of 10,000 feet, 0.9 Mach and 2 Gs.

In addition, with DSC the following maneuvers are possible: horizontal turning with a zero banking angle, left-right oscillation with only the neck of the aircraft moving (5-10 degrees) while it maintains a steady flight course, or left-right movements while the direction of the aircraft's nose holds steady. The MLC mode is designed to enhance the turning capabilities of the aircraft, through the use of modified "combat flaps" that make it possible to employ the existing front and rear edge flaps of the T-2 regardless of the flight speed. When this MLC mode is turned on, even while the same banking angle is maintained, the G speed during turns increases, thereby providing the aircraft with superior turning capabilities. Judging from the results, we can see that not all of the CCV modes tested on the T-2CCV research aircraft were incorporated into the next-generation support aircraft, the F-2. Moreover, since the research results indicated that only some of these modes should be incorporated into the new aircraft, due to this experience the important decision was made for Japan to develop its own flight control software for the on-board flight control computer. The self-confidence gained from this experience of independent development of the flight control software for the T- 2CCV research aircraft meant that when the United States refused to grant release of the source code for the F-16 fighter to Japan, there was no panic and the decision was made to go ahead and develop it on our own. Thus, this one little research aircraft, the T-2CCV, had a tremendous role to play in the saga of joint Japan-U.S. development of the F-S-X/XF-2.

Multipurpose Patrol Aircraft MPA

In the MTDP beginning in FY1996, there is a casual reference to one of the important projects to be tackled under it, namely the development of a successor aircraft for the P-3C patrol aircraft. It says, "Concerning a successor for the fixed-wing patrol aircraft (P-3C), after studies are conducted, necessary steps should be undertaken." The next-generation patrol aircraft that is to be the successor to the P-3C is known as the multipurpose patrol aircraft, or MPA, and is expected to come on line in about a decade. This multipurpose patrol aircraft has been recognized as one of the major steps for pursuing a course of independent domestic aircraft development. Accordingly, since 1991 the government, primarily TRDI, has been conducting research testing on various components for it. Specifically, among other things this research consists of: (1) research into fuselage configurations for future large aircraft; (2) anti-submarine warfare assessment support systems; (3) anti-submarine sonar systems; (4) magnetic search equipment for use by fixed-wing aircraft; and, (5) radar systems for use by anti-submarine patrol aircraft. As was explained earlier in the article, it is believed that the engine for use on the aircraft will be a scaled-up version of the "research model verification engine." When these various cards are laid on the table, we can easily see together the various components needed to develop the multipurpose patrol aircraft. During the period through the end of FY1998, those in charge will be collating and synthesizing these various results. At least that goes to show that they are eager to boldly take up the technical development of the multipurpose patrol aircraft. It seems fair to conclude that once the development policy is decided upon, the conditions will already be in place on the technological side of things to go-ahead with the plan. Should the authorities concerned, especially MSDF's Maritime Staff Office, finalize the development and equipment concept, and everything goes smoothly, they would no doubt like to proceed with the actual technical development work from around the end of the current mid-term defense plan. Although we are still only at the stage of determining the outline of the fuselage, it would seem that the mood is for the adoption of a large aircraft with four turbo-fan engines.

Mongolia

Mongolia: Prime Minister Outlines Government Program

LD1408154196 Moscow ITAR-TASS World Service in Russian 0920 GMT 14 Aug 96

[By ITAR-TASS correspondent Kim Boldokhonov]

[FBIS Translated Text] Ulaanbaatar, 14 Aug — "The victory of the Democratic Alliance MNPD-MSDP at the parliamentary elections must be consolidated and deepened by success at the autumn elections to the local power bodies. The establishment of close cooperation and mutual trust between the democratic authorities and the broad masses of the people should serve as a basis for this. These are the latest tasks of the national-democrats and social-democrats for the short-term period to bring the country out of crisis." This was stated by Mongolian Prime Minister Mendsayhany Enhsayhan at a meeting with representatives of municipal and rural organizations of the "Democratic Alliance MNPD-MSDP," who gathered in Ulaanbaatar.

At the present time the government is working on a program, the basis of which are the "Democratic Alliance MNPD-MSPD's" pre- election commitments, the prime minister said. Among urgent tasks, he named reform of the pension system; extremely rigid economizing in all organizations, primarily budget organizations; a speeding up of privatization; improving the bank system; and carrying out an active foreign policy with states that support the democratic changes in Mongolia.

Enhsayhan focused particular attention on setting up a fund for the development of the countryside and the introduction of a differential tax and other systems so that the development of the regions may be controlled and coordinated by the levers of the market economy.

North Korea

DPRK: Pomminnyon Delegation Arrives for Pannational Rally

SK1008114096 Pyongyang KCNA in English 1116 GMT 10 Aug 96

[FBIS Transcribed Text] Pyongyang, August 10 (KCNA) — A delegation of the overseas headquarters of the National Alliance for the Country's Reunification (Pomminnyon) arrived here today to participate in the seventh Pan-National Rally (PNR).

The delegation, headed by Yu Tae-yong, co-chairman of the U.S. headquarters of Pomminnyon, is made up of Paek Chong-ho, vice-chairman of the Pomminnyon headquarters of Koreans in Japan, and Yi Chun-sik, secretary general of the European regional headquarters of Pomminnyon.

Also arriving here was a delegation of the overseas headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) to participate in the seventh PNR and the sixth grand reunification festival of Pomchonghangnyon. The delegation, led by Pak Ku-ho, co-chairman of the overseas headquarters of Pomchonghangnyon, includes director of the joint secretariat of the overseas headquarters Cho Son-ho, vice-chairman of the Central Standing Committee of the Union of Korean Students in Japan Kim Hun, director of the joint secretariat of the overseas headquarters Yi Chong-su and central member of the overseas headquarters Kang Song-sil.

The delegations were greeted at the airport by Chairman Paek In-chun of the North headquarters of Pomminnyon, who is also chairman of the North preparatory committee of the seventh PNR, and Vice-Chairman An Pyong-su of the Committee for the Peaceful Reunification of the Fatherland.

DPRK: Pomchonghangnyon Throws Party for Arriving Delegates

SK1108074196 Pyongyang KCNA in English 0648 GMT 11 Aug 96

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — The North headquarters of the National Alliance of Youth and Students for the Country's

Reunification (Pomchonghangnyon) hosted a party at the Pyongyang Koryo Hotel on the evening of August 10 for Yu Se-hong and To Chong-hwa, delegates of the South Korean Federation of University Student Councils under the South headquarters of Pomchonghangnyon, who have arrived in Pyongyang to attend the 6th grand reunification festival of Pomchonghangnyon.

Chairman of the North headquarters of Pomchonghangnyon Ho Chang- cho, member of the North preparatory committee for the 7th Pan- National Rally, in his speech warmly welcomed in the name of all the youths, students and people in the North the two delegates of Hanchongnyon who have come to Pyongyang, risking their lives.

In the looks of the two delegates, we see hot-blooded youths of Hanchongnyon who are valiantly fighting for the reunification to perform their obligation as sons and daughters of the nation, Ho Chang-cho said, adding:

"We deem it as a great pride to have one million students in the South as comrades-in-arms and friends in the struggle for reunification.

"Today's historic meeting of youths and students in the North, the South and overseas clearly shows once again that there is nothing impossible if the young Korean people unite and rise with confidence in their strength."

Yu Se-hong and To Chong-hwa said in their speeches:

"This time, we travelled scores of hours to visit Pyongyang by plane. But, all the people like us will freely travel the North before long. Then, the day will come when the seventy million nation will be reunified and gladly hug each other. With this feeling, we have come to Pyongyang from Seoul."

They said that they extended warm greetings to youths and students in the North and from abroad present at the party, representing ardent desire of one million students in the South for reunification.

"This is a year for peace and great national unity of the Korean nation in the North and the South", they said.

They noted that two million students in the North, the South and overseas must frustrate the separatist and war moves of the U.S. imperialists and the Kim Yong-sam "regime" and hold the August 15 grand reunification festival of Pomchonghangnyon at any cost, closely rallied behind Pomchonghangnyon.

"We determine to powerfully struggle together with you comrades of Pomchonghangnyon present here to sponsor in Seoul at any cost the historic first general meeting of Pomchonghangnyon which has not been opened since its formation and hold a joint meeting of students in the North and the South so that students in the North, the South and overseas may sit together and discuss the future of the nation," the speakers stressed.

DPRK: Hanchongnyon Denounces ROK Ban on Reunification Festival

SK1108074496 Pyongyang KCNA in English 0653 GMT 11 Aug 96

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — The South Korean Federation of University Student Councils (Hanchongnyon) released a statement on Saturday denouncing a "decision" of the puppet clique not to allow the grand reunification festival of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) due at Yonsei University from August 13, Seoul-based Radio No. 1 said.

It is a crackdown upon the pro-reunification patriotic forces that the puppet clique decided not to allow the festival and labelled Hanchongnyon as an "organization benefiting the enemy" by invoking the "National Security Law," said the statement.

It urged the puppet clique to cancel the "non-permission decision".

DPRK: Two ROK Students Vow To Work Vigorously for Reunification

SK1008105496 Pyongyang KCNA in English 1023 GMT 10 Aug 96

[FBIS Transcribed Text] Pyongyang, August 10 (KCNA) — South Korean student delegates who arrived in Pyongyang to attend the 6th grand reunification festival of Pomchonghangnyon vowed to make vigorous activities for reunification as delegates of South Korea during their stay in the North, adding that their meeting with northerners hardened their belief in reunification.

They made the remark in a statement upon arrival at Pyongyang Airport.

Yu Se-hong, 25, a fourth-year student of the Dental Surgery Department of the Dentistry College of Choson University in Kwangju, and To Chong-hwa, 22, a fourth-year student of the Mechanical Engineering Department of the Technical College of Yonsei University in Seoul, arrived here today as delegates of the South Korean Federation of University Student Councils under the South headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon).

In the statement, they said the youth and students should play the vanguard role for reunification under the banner of Pomchonghangnyon, resolved never to hand over a divided country to the next generation.

They said the youth and students in the North, South and overseas will unite and fight for the abolition of the "National Security Law" of South Korea, which violates and represses their desire for reunification.

There is no more reasonable and realistic principle than independence, peaceful reunification and great national unity, they said, calling on the 70 million Koreans to unite and achieve the great unity of the nation.

At the airport the delegates were warmly greeted with compatriotic feelings by Paek In-chun, chairman of the North headquarters of the National Alliance for the Country's Reunification (Pomminnyon) and chairman of the North Preparatory Committee of the Seventh Pan-National Rally; Vice-Chairman of the North Headquarters of Pomminnyon Choe Hwi and chairman of the North headquarters of Pomchonghangnyon Ho Chang-cho, members of the North preparatory committee; and many students and working people in the city.

They were also enthusiastically welcomed by many people including students on the route from the airport to Koryo Hotel.

The delegates laid bunches of flowers before the statue of the great leader President Kim Il-song on Mansu Hill and wished him an eternal life.

DPRK: First General Meeting of Pomchonghangnyon Held

SK1408234496 Pyongyang KCNA in English 2251 GMT 14 Aug 96

[FBIS Transcribed Text] Pyongyang, August 14 (KCNA) — The first general meeting of Pomchonghangnyon was held in Pyongyang today.

The meeting was to be held in Seoul, but its venue was moved to Pyongyang owing to the persistent obstructive moves of the splittist forces.

The meeting, the first after Pomchonghangnyon was formed on August 15, 1992, reviewed its work and adopted a resolution of Pomchonghangnyon for building a confederal, reunified country, which indicates a new fighting method.

It finally confirmed and made public the program and rules of Pomchonghangnyon and a proposal for reunification.

Keynote reports of different headquarters were presented when the agenda item on viewing the work of Pomchonghangnyon and its future task was discussed.

Delegate of Hanchongnyon from the South Headquarters To Chong-hwa in his keynote report made clear the principle, prospect and tasks of the Pomchonghangnyon movement.

He went on:

The principle is the spirit of national independence and the idea of great national unity in ideology and to strengthen organisational unity in organisational aspect to make it serve the cementing of National Alliance; it is to apply a stormy breakthrough based on the superiority of tripartite solidarity of the North, South and overseas.

The prospect is that Pomchonghangnyon should discharge its duty faithfully as a vanguard of reunification by making massive efforts to diffuse the spirit of national independence and the idea of great national unity among one million, two million fellow students and 70 million fellow countrymen.

It is to keep the balance between solidarity and struggle to intensify solidarity of the North, South and overseas, that is, to correctly combine the strengthening of organisational unity with struggle.

Solidarity of youth and students in the North, South and overseas is made to be "illegal" by the "National Security Law." When it is abolished and the space of Pomchonghangnyon activities is widened, the solidarity and struggle of Pomchonghangnyon will be further intensified and a decisive phase of national reunification will be brought.

Chairman of the North headquarters Ho Chang-cho in his keynote report said that the North headquarters had made a grandiose advance on the three principles of independence, peaceful reunification and great national unit, bravely smashing all historic challenges and difficulties to the cause of national reunification in the last four years after its formation.

The obtaining [as received] situation raises an important task to resolutely push aside all obstacles and difficulties laid in the way of Pomchonghangnyon and achieve peace and great national unity to open a phase of national reunification as a whole, he said, and stressed:

Pomchonghangnyon should shatter the war provocation moves of the United States and the South side's authorities, continue the vigorous struggle to establish a new peace-keeping mechanism on the Korean peninsula and wage a strenuous and steady struggle to realise reunification by means of confederacy with the great unity of the whole nation.

It should also build up its organization more firmly and strengthen its might in every way.

The North headquarters of Pomchonghangnyon will discharge its duty and mission in achieving peace and great national unity and conducting activities for national reunification under the banner of national independence.

Co-chairman of the Overseas Headquarters Pak Kuho in his keynote report said that overseas Korean youth and students proudly contributed to opening a new flowering time of the nation-wide youth and student movement for reunification unprecedented in the history of our nation together with youth and students in the North and the South under the banner of Pomchonghangnyon.

Our youth and students should demonstrate the stamina of youth in the struggle to smash all sorts of war confrontation and splittist moves and achieve peace of the country and great national unity under the banner of building a confederal, reunified country, the general target of our struggle, he noted, and said:

Overseas youth and students will discharge their honorable mission in the struggle to build a confederal, reunified country in the same mind and in the same spirit with youth and students in the North and the South.

DPRK: Pomchonghangnyon Vows To Reunify Korea by Confederacy

SK1408154896 Pyongyang KCNA in English 1542 GMT 14 Aug 96

[FBIS Transcribed Text] Pyongyang, August 14 (KCNA) — A resolution on the building of a unified, confederal state was adopted at the first general meeting of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) held here today.

The resolution says:

Pomchonghangnyon will define the spirit of national independence and great national unity as its fundamental idea and concentrate constructive efforts on disseminating this idea to the 70 million Koreans as well as youth and students in the North, South and overseas.

Pomchonghangnyon will devote all its strength and wisdom to the struggle to realise the conclusion of a peace agreement between the DPRK and the United States, the withdrawal of U.S. Forces from South Korea and the establishment of a complete nuclear-free zone on the Korean peninsula for a lasting peace system on this peninsula, to smash the indiscriminate repression of reunification champions, get the "National Security Law" abolished for great national unity and consolidate the confederacy formula as the nation's common way of reunification.

Pomchonghangnyon will concentrate on strengthening the National Alliance for the Country's Reunification, the only patriotic umbrella organisation of the reunification movement of all Koreans in the North, South and overseas, so that the unity of the 70 million Koreans may be achieved.

In order to consolidate the organisational foundation of Pomchonghangnyon in the struggle for national reunification, it is important to invigorate unity and independent exchange between youth and students at home and abroad and expand this activity to every unit comprehensively.

In order to strengthen the joint secretariat of Pomchonghangnyon, the performer of Pomchonghangnyon activities and the organisation of the Pomchonghangnyon movement, it is important to enhance the unity and responsibility of all regional headquarters and intensify the activities of the joint secretariat in every way.

The activities of Pomchonghangnyon will be conducted in a diverse way all the year round, its reunification movement program be regularized more than before for leaping qualitative progress in the Pomchonghangnyon movement and the tripartite solidarity movement will be invigorated in various ways, so that Pomchonghangnyon can be rooted deep in the hearts of all the youth and students in the North, South and overseas.

DPRK Daily Denounces ROK For Blocking Pannational Rally

SK1108111196 Pyongyang Korean Central Broadcasting Network in Korean 0853 GMT 9 Aug 96

[NODONG SINMUN 9 August commentary: "Vicious Remarks and Acts by the Enemies of Reunification"]

[FBIS Translated Text] In recent days, the Kim Yongsam ring is running wild in saber rattling to trample upon the desire for reunification, which is further heightened among the South Korean people on the occasion of 15 August [national independence day].

The Kim Yong-sam ring meted out severe punishment to scores of members of the South headquarters of the National Alliance for the Country's Reunification [Pomminnyon] just because they had called for the withdrawal of U.S. Forces from South Korea, the abolition of the National Security Law, and reunification through means of a confederacy in last year's pannational rally.

Again this year, it detained and arrested the vice chairman of the South Korean Council of Democratic Youth Organizations on charges of violating the notorious National Security Law, for the mere reason that he had met northerners abroad to discuss the issue of cosponsoring the 15 August pro-reunification events this year and to draft an agreement calling for a U.S. troop withdrawal and reunification through confederacy. It even resorted to the fascist suppression of urgently detaining and arresting the chairman of the Policy Committee of the National Congress for Independent and Peaceful Reunification, on charges of manipulating contacts behind the scenes.

The fascist clique is now investigating the South Korean Federation of University Student Councils [Hanchongnyon] for contacting the North headquarters of the National Alliance of Youth and Students for the Country's Reunification [Pomchonghangnyon] in relation to the grand reunification festival.

The puppets dismissed appeals by and sentenced to prison students Chong Min-chu and Yi Hye-chong, called birds of hope for reunification. They had gone to South Korea after visiting the northern half of the Republic as delegates of the South side of the Pomchonghangnyon. They also put behind bars a member of the Seoul District Federation of General Student Councils [Sochongnyon] who favored reunification through confederacy. As such, almost daily they are suppressing patriotic, pro-reunification democratic forces who hope for reunification through an alliance with the North and communism.

It is an extremely righteous act for the fellow countrymen in the North and South to contact and talk with each other about national reconciliation, unity, and reunification. This is also their lofty right, which no one can confiscate. Furthermore, speaking of Pomminnyon members and patriotic, pro-reunification forces in South Korea calling for a U.S. Forces withdrawal and the realization of the reunification through confederacy, this is their firm will to realize the country's peace and peaceful reunification at an early date, reflecting all their fellow countrymen's unanimous desire.

This notwithstanding, the Kim Yong-sam ring has branded their righteous act an enemy-benefiting act and suppressed them with the fascist evil law. In so doing, it has once again revealed its anti- national, anti-reunification color of not caring about its fellow countrymen, not having any national conscience, and of opposing national reconciliation, unity, and reunification.

The puppets' fascist saber-rattling actions committed against the pro-reunification democratic forces are part of their premeditated moves to block the Seventh Pan-National Rally.

The Kim Yong-sam group intends to block the pan-national rally and the reunification festival of youth and students at the point of a bayonet, by branding them illegal as they did in the past. This clearly proves that the group does not want reconciliation between the North and the South or the peaceful reunification of the country, and that, although they are vocal about dialogue and talks, in actuality they totally oppose them.

Inter-Korean dialogue and talks are intended to achieve the nation's reconciliation and unity and the country's independent and peaceful reunification.

It is preposterous for the puppets to talk about so-called dialogue and talks while inciting confrontation and perpetuating the division. It is nothing but an insult to us.

The Kim Yong-sam ring has persecuted and arrested those who contacted us or visited North Korea for national reconciliation and unity by branding them criminals, and it blocked the pan-national Rally in Seoul, the grand place for great national unity. In so doing, on its own initiative, it has given up being our partner for dialogue and reconciliation, and has proven to the whole world that the so-called dialogue and talks it advocates are all fake.

How on earth can they have a dialogue with someone and reunify the country while regarding fellow countrymen in the North as an enemy and pursuing only confrontation and war? Anti-republic confrontation and war commotions cannot co-exist with dialogue and peaceful reunification.

The South headquarters of the Pomminnyon issued a statement on the inauguration of the South headquarters for the promotion of the Seventh Pan-National Rally in the South, in which it declared that unless the Kim Yong-sam regime is removed, independence, reunification, and the minimum welfare and rights of the people can never be expected. This is a matter of course.

Reality proves that as long as traitor Kim Yong-sam, who is running wild in anti-Republic confrontation and war commotions of northward aggression, is not removed; anti-reunification fascist laws, such as the National Security Law, are rampant; and the concrete wall, the symbol of division and confrontation, is not demolished, it is impossible to realize any dialogue between the North and South.

All Korean fellow countrymen at home and abroad who cannot live without peace and reunification should rise up on a national scale in the struggle to wipe out the Kim Yong-sam ring, which places barriers in the way of national reconciliation, unity, and reunification.

DPRK: ROK 'Suppression' of Reunification Groups Denounced

SK1108074096 Pyongyang KCNA in English 0641 GMT 11 Aug 9

["Death-Bed Wriggle of Enemies of Reunification" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — The Kim Yong-sam group are intensifying the suppression of the pro-reunification patriotic movement organizations of South Korea and their members, including the South Korean Federation of University Student Councils (Hanchongnyon) and the policy chairman of the National Council for Independence and Peaceful Reunification, says MINJU CHOSON in a signed commentary today, branding it as an intolerable fascist behaviour to chill the nation's ardent desire for reunification and break up the opening in Seoul of the joint August 15 national ceremonies.

The commentary continues:

The Kim Yong-sam group blocked the planned Seoul opening of the 7th Pan-National Rally (PNR), that had been prepared positively in accordance with the tripartite agreement of the North, South and overseas, at the point of bayonet, thus revealing their despicable nature as those who turn against the nation and oppose reunification.

And this vividly illustrates that the "dialogue" and "talks" on their lips are false.

It is preposterous that the Kim Yong-sam group, who have long ago been bereft of qualifications for a North's dialogue partner, are crying for "dialogue" and "talks", and it is an intolerable mockery of and insult to the desire of the entire fellow countrymen for reunification.

DPRK: Pannational Rally Adopts Measures for Reunification

SK1508093796 Pyongyang KCNA in English 0930 GMT 15 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — Measures for opening a radical change for national reunification were proposed at the '96 Pan-National Meeting for Peace and Reunification of the Country held here today.

In his report "On Tasks To Open Turning Phase of National Reunification Under Banner of Peace and Great National Unity", Paek In-chun, chairman of the North Headquarters of Pomminnyon [National Alliance for the Country's Reunification], said the situation is being extremely strained and inter-Korean relations are in the worst phase due to the South Korean rulers' dangerous war preparations, anti-DPRK confrontation campaign and brutal repression on pro- reunification patriots.

He said the three principles of independence, peaceful reunification and great national unity and the proposal for founding a confederal state advanced by the great leader Comrade Kim Il-song should be regarded as the nation's common program for reunification in order to ease the acute situation on the Korean peninsula and improve inter-Korean relations.

A national joint committee should be formed for the abolition of South Korea's "National Security Law," which stands in the way of national reconciliation and peaceful reunification, he said, calling for strengthening the struggle for its abolition on a national and international scale.

He stressed the need to invigorate the anti-war and peace struggle nationwide to resolutely check the domestic and foreign bellicose forces' move for a new war.

"We will actively support the struggle against the South Korean authorities' fascist repression of the pro-reunification patriotic movement and for free activities of Pomminnyon, Pomchonghangnyon [National Alliance of Youth and Students for the Country's Reunification] and all other pro-reunification movement organisations in South Korea. At the same time, we will strengthen international solidarity so that the political parties and organisations including human rights bodies of different countries and international organisations may join in this struggle," he said.

He called for building up Pomminnyon, the umbrella organisation of the nation's reunification movement, and enhancing its role continuously.

It is the unshakable faith and iron will of the great leader Comrade Kim Chong-il to reunify the country as earnestly wished by Comrade Kim Il-song in his lifetime, Paek In-chun noted.

"It is an arduous struggle to reunify the country. However, peace, great national unity and the reunification of the country will certainly be achieved thanks to the most reasonable and realistic reunification program provided by Comrade Kim Il-song during his precious lifetime, the wise leadership of Comrade Kim Chong-il and the invincible united strength of our nation," he concluded.

In his speech, Yu Tae-yong, co-chairman of the U.S. Headquarters of Pomminnyon and delegate of the Overseas Headquarters of Pomminnyon, hailed the successful opening of the '96 pan-national meeting in Pyongyang.

"Overseas Koreans are greatly encouraged, seeing their brothers and sisters in the North marching toward national reunification with warm patriotism and ardent desire for reunification, closely rallied behind General Kim Chong-il, the great leader of the nation," he said. "Although living in alien lands, we overseas Koreans will wage the patriotic movement for reunification in a tangible way to fulfill the respected President Kim Il-song's behest on reunification so that we will discharge our duty and obligation as members of the nation."

In their speeches, Kang Yong-sop, chairman of the Central Committee of the Korean Christian Federation and vice-chairman of the North Headquarters of Pomminnyon; and Han Sok-pong, director of an Institute of the Academy of Social Sciences, and Kim Po-haeng, vice-chairman of the Central Committee of the Korean Writers Union, who are members of the Central Committee of Pomminnyon; renewed their commitment to courageously fight to open a new phase for peaceful reunification under the wise leadership of Comrade Kim Chong-il, the lodestar of national reunification.

They laid emphasis on the need to establish a new peace mechanism on the Korean peninsula and counter the anti-reunification forces' scheme for division and estrangement on the strength of unity.

DPRK: Pannational Rally Joint Resolution Agreed on via Fax

SK1508091896 Pyongyang KCNA in English 0913 GMT 15 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — A joint resolution which was agreed over fax by the North, South and Overseas Headquarters of the National Alliance for the Country's Reunification (Pomminnyon) was adopted at the '96 Pan-National Meeting for Peace and Reunification of the Country held in Pyongyang today.

The resolution said that they will more vigorously struggle to realize the three principles of national reunification — independence, peaceful reunification and great national unity — and the proposal for reunification through confederacy.

The three principles and the proposal are the principles and target of national reunification common to the nation, it said.

It stressed the need to reject the splittist and pseudo unification proposals and expand the ranks of supporters for the most just and reasonable proposal for reunification through confederacy among the compatriots at home and abroad.

It laid an emphasis on more firmly building up the driving force of national reunification under the banner of great national unity.

It continued:

We will realize a great alliance of pro-reunification patriotic forces at home and abroad in the spirit of patriotism and national independence and form a joint national committee to have the "National Security Law" of South Korea abolished and will decisively check and frustrate the anti-DPRK manoeuvres of the South Korean authorities.

We will struggle in every way to check and thwart the new war provocation moves of the bellicose forces at home and abroad and establish a new peace mechanism on the Korean peninsula under the banner of defending peace against war .

We will strengthen the struggle for the release of the unreasonably arrested members of the South Headquarters of Pomminnyon and pro-reunification patriots and for their reinstatement.

We will actively conduct the movement for opposing and rejecting the ill-boding militarization of Japan.

We will make all efforts in order that all the reunification movement organisations at home and abroad will solidarize, support and keep pace with each other in the patriotic movement for reunification.

DPRK: Pannational Rally Appeals to World's Peace-Loving People

SK1508095096 Pyongyang KCNA in English 0948 GMT 15 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — An appeal to the world's peaceloving people was adopted as a joint document at the 96 Pan-National Meeting for Peace and Reunification of the Country which was held separately in Pyongyang, Seoul and China's Shenyang today.

The document calls for worldwide solidarity and support to the Korean people in the struggle for national reunification.

If a war breaks out in the Korean peninsula the Far East of Asia and the rest of the world will not be in peace and it will be a disaster to all humankind, the appeal says.

It notes that the South Korean authorities have been unwilling to settle the issue in a peaceful way but unhesitatingly resorted to deceptive policy and war gamble in a wild dream of reunifying the country by absorbing the North with outsiders' help.

It says:

"Even after four-way talks were proposed, threat and pressure are being put upon the DPRK through diplomatic and military siege based on the u.S.-Japan-south Korea cooperation system. This is a brigandish deed ignoring the dignity of the Korean nation and denying the reunification."

It strongly calls for the replacement of the Armistice Agreement with a peace agreement on the Korean peninsula, the withdrawal of the U.S. forces from it, and disarmament.

"We are convinced that," the appeal says, "the reunification by means of neutral confederacy is the best and the most realistic way to keep peace in the North and the South of Korea and to ensure co- existence of the two sides."

"Korea, after being reunified by means of confederacy, will be an independent, peaceful and neutral state and a lasting cornerstone for peace the world over, and will make all effort for friendship and prosperity of the world peoples," it stresses, calling upon the world's peaceloving people to extend solidarity and support.

DPRK: Pak Song-chol Attends Pyongyang Pannational Rally

SK1508091496 Pyongyang KCNA in English 0907 GMT 15 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — The '96 pan-national meeting for peace and reunification of the country was held at the People's Palace of Culture in Pyongyang today.

Present were Pak Song-chol, member of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK] and vice-president of the DPRK, Yang Hyong-sop, alternate member of the Political Bureau of the WPK Central Committee and chairman of the Supreme People's Assembly, senior party and government cadres, officials concerned and people from all walks of life.

Yu Se-hong and To Chong-hwa, delegates of the South Korean Federation of University Student Councils (Hanchongnyon), delegations of the Overseas Headquarters of the National Alliance for the Country's Reunification (Pomminnyon) and the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) and overseas Koreans staying in the socialist homeland were present.

Paek In-chun, chairman of the North Headquarters of Pomminnyon, made a report "On Tasks To Open Turning Phase of National Reunification Under Banner of Peace and Great National Unity", the agenda item.

Yu Tae-yong, co-chairman of the U.S. headquarters and head of the delegation of the Overseas Headquarters of Pomminnyon, made a speech at the meeting.

The meeting was also addressed by Kang Yong-sop, chairman of the Central Committee of the Korean Christian Federation and vice- chairman of the North Headquarters of Pomminnyon, Han Sok-pong, director of an Institute of the Academy of Social Sciences, and Kim Po-haeng, vice-chairman of the Central Committee of the Korean Writers Union, who are members of the Central Committee of Pomminnyon.

The meeting adopted a resolution, a letter to the compatriots at home and abroad and an appeal to the world peace-loving people, the joint documents of the meeting which were agreed over fax by the North, South and Overseas Headquarters of Pomminnyon.

A silk banner of the overseas headquarters and an inspiring address of the South Headquarters to the Pyongyang pan-national meeting were introduced at the meeting.

DPRK: Rally Urges Firmly Uniting Under Banner of Great Unity

SK1508085396 Pyongyang KCNA in English 0848 GMT 15 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — A letter to the compatriots at home and abroad was adopted at the '96 pan-national meeting for peace and reunification of the country held here today.

The whole nation should be united in order to remove the clouds of a new war which are hanging heavily owing to the war provocation manoeuvres and anti-DPRK tricks of the South Korean authorities and open a phase of peace and reunification, the letter said, and continued:

The banner of the great unity of the whole nation indicates a bright way of terminating the confrontation and antagonism within the nation and achieving the reconciliation and unity of the whole nation.

The letter called upon all the compatriots in the North, South and abroad to unite on the basis of one national idea and in the spirit of patriotism and national independence regardless of differences of ideology, idea and religious belief.

"All the compatriots should solidarize and keep pace with each other in the struggle for shattering the new war manoeuvres and anti-DPRK confrontation moves of the anti-reunification forces and wage an active struggle for the abolition of the "National Security Law" and the release of the arrested pro-reunification patriots in South Korea," the letter said.

It stressed that they should be firmly united as one around the National Alliance for the Country's Reunification, a centripetal organisation of great national unity, and those with strength should devote strength, those with knowledge dedicate knowledge and those with money donate money and thus make a tangible contribution to the struggle for national reunification.

DPRK: Panmunjom Rally Appeals to Youth for Peace, Unity

SK1408152696 Pyongyang KCNA in English 1521 GMT 14 Aug 96

[FBIS Transcribed Text] Panmunjom, August 14 (KCNA) — An appeal to the youth and students at home and abroad was adopted at the joint meeting of youth and students in the North, South and abroad for peace and great national unity, the first of its kind in history, which was held today at Panmunjom.

The appeal said that the key to achieving peace of the country and opening a bright prospect for peaceful reunification at the present is to establish a new peace-keeping system on the Korean peninsula.

It called upon all the youth and students in the North, South and abroad to rise up and take the lead in arousing the 70 million fellow countrymen to the struggle for establishing a new peace-keeping system on the Korean peninsula through their practical example.

It stressed the need to bring to a trial of history the separatist and bellicose Kim Yong-sam group answering the desire of the fellow countrymen for an independent and peaceful reunification of the country with confrontation and war rackets.

It called for a vigorous struggle for the abolition of all the fascist laws including the "National Security Law," which violates even the elementary political freedom and rights of the youth and students and the people in the South and hinders the peaceful reunification of the country.

It also called upon all the youth and students at home and abroad to join in the struggle for the release of all the pro-reunification patriots in the South including Chong Min-chu and Yi Hye-chong, "birds of hope for reunification".

It laid an emphasis on strengthening and developing in a planned way the National Alliance of Youth and Students for the Country's Reunification, an umbrella organisation of the reunification movement of youth and students in the North, South and abroad, on a broad mass foundation.

DPRK: Panmunjom Rally Discusses Obstacles to Peace on Peninsula

SK1408154496 Pyongyang KCNA in English 1535 GMT 14 Aug 96

[FBIS Transcribed Text] Panmunjom, August 14 (KCNA) — A joint meeting of youth and students in the North, South and overseas for peace and great national unity took place today at Tongil House in Panmunjom.

Attending the meeting were Ho Chong-chu, chairman of the North Headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon), Yu Se-hong and To Chong-hwa, delegates of the South Korean Federation of University Student Councils (Hanchongnyon) that represents the South Headquarters of Pomchonghangnyon, Pak Ku-ho, co-chairman of the Overseas Headquarters of Pomchonghangnyon, and delegates of Pomchonghangnyon in the North and overseas.

The meeting discussed the first agenda item — obstacles to peace and great national unity and practical means to tiding over them and the second agenda item — task of youth and students for strengthening and developing a nation-wide reunification movement.

In his keynote speech on the first agenda item, delegate of the overseas headquarters Kim In said a lasting peace should be ensured on the Korean peninsula to achieve the country's peace and peaceful reunification.

"To this end, war exercises against the North which are carried on in South Korea should be suspended," he said.

"The United States should stop the war exercises with South Korea and accede to the proposal for establishing a new peace mechanism which was put forward by the DPRK."

"To attain a great national unity, the anti-DPRK confrontation policy of the Kim Yong-sam 'regime' should be shattered and the 'National Security Law' be repealed," he stressed.

The delegate of the North headquarters Ho Chong-chu said that if the South Korean authorities want to do something for peace and detente on the Korean peninsula, they should not meddle in the issue of concluding peace agreement between the DPRK and the U.S. but implement the non-aggression agreement adopted between the North and the South and stop at once war provocation moves which will aggravate the political and military confrontation.

In his keynote speech on the second agenda item, Yu Se-hong, delegate of the South Headquarters, underscored the need to cement Pomchonghangnyon organizationally to carry on the national reunification march on a broader nationwide scale and invigorate the joint struggle of youth and students in the South, North and overseas.

He called on youth and students in the South, North and overseas to make a dynamic struggle to realize the proposal for confederation-based reunification, a target of great national unity and a method of the movement for reunification.

The meeting adopted an appeal to Korean youth and students at home and abroad.

DPRK: Hanchongnyon Delegates Send Letters to ROK Students

SK1508090796 Pyongyang KCNA in English 0902 GMT 15 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — Yu Se-hong and To Chong-hwa, delegates of the South Korean Federation of University Student Councils (Hanchongnyon) that represents the South Headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon), who went to Panmunjom together with the northern and overseas delegations to the Sixth Grand Reunification Festival of Pomchonghangnyon, sent letters on August 14 to the fellow students in South Korea who are waging a vigorous struggle to successfully open the joint festival in Seoul.

They said in their letters that they were moved to hear the news of the one million fellow students of Hanchongnyon who are waging a dynamic struggle in the teeth of the suppression by the Kim Yong-sam regime and that though Yonsei University was totally blocked, the fellow students are struggling for the successful holding of the festival at different places of Seoul.

In his letter Yu called for having the festival held and defending a general meeting and a joint meeting before meeting with joy and pride.

In his letter to said that our reunification movement cannot but take a hard step forward owing to the heinous moves of the flunkeyist traitors but if the South and North get together, a broad avenue will be open afterwards.

DPRK: Youth Rally at Panmunjom Supports Peace System

SK1508095696 Pyongyang KCNA in English 0952 GMT 15 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — Youth and students in the North, South and overseas in a rally held at Panmunjom today called for the establishment of a peace system on the Korean peninsula.

In his speech, Ho Chang-cho, chairman of the North Headquarters of Pomchonghangnyon [National Alliance of Youth and Students for the Country's Reunification], said the attitude toward the establishment of a new peace mechanism on the Korean peninsula is the clearest answer to the question of war or peace.

Conclusion of a temporary agreement to replace the Armistice Agreement is now the best way of preventing the outbreak of war on the Korean peninsula in a touch-and-go situation, he said, calling on the youth and students in the North, South and overseas to courageously rise in the struggle to smash the machinations of the United States and its lackey, the South Korean authorities, who turn down the conclusion of a temporary agreement on unreasonable grounds and bring about the danger of fratricidal war.

Yu Se-hong, delegate of the South Korean Federation of University Student Councils, in his speech said South Korean students are clashing with police to defend the Grand Reunification Festival. Nothing can block the patriotic struggle of youth and students who love the nation, he added.

He urged the Kim Yong-sam "government" to stop branding Pomchonghangnyon as "benefiting the enemy" and "pro-communist" and blocking the desire of youth and students for a peace system on the Korean peninsula.

He called for pooling the will of the nation and dealing a heavy blow at the Kim Yong-sam regime, which is not modest before the people but is arrogant before history and stands in the way of reunification.

A letter of indignation was published at the rally.

DPRK: ROK Students' Clashes With Police Reported

SK1508092596 Pyongyang KCNA in English 0920 GMT 15 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — The Kim Yong-sam fascist group mobilized 6,000 police of some 50 companies and eleven helicopters to disperse the Sixth Grand Reunification

Festival of the National Alliance of Youth and Students for the Country's Reunification held at Yonsei University on Wednesday [14 August].

The police broke into the campus while the helicopters dropped tear gas over the heads of the festival participants, a radio report from Seoul said.

About 3,000 students threw flame bottles at police and fought a hand-to-hand fight.

Another 5,000 students occupied the streets and staunchly attempted to enter the campus to join in the festival.

Meanwhile, the South Korean Federation of University Student Councils decided on Wednesday to dispatch a big group to Panmunjom to welcome Yu Se-hong and To Chong-hwa returning from the North.

DPRK: Pomminnyon Decries 'Suppression' of Pomchonghangnyon

SK1508092296 Pyongyang KCNA in English
0918 GMT 15 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — The North Headquarters of the National Alliance for the Country's Reunification (Pomminnyon) and the visiting delegation of the Overseas Headquarters of Pomminnyon released a joint statement today, berating the Kim Yong-sam group for trying to block the Seventh Pan-National Rally and the Sixth Grand Reunification Festival of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon).

The South Korean people and students have made preparations to hold the rally and festival to commemorate the 51st anniversary of the country's liberation, August 15. They are now conducting activities as scheduled.

In order to have the rally and festival held in a peaceful and legal way, the South Headquarters of Pomminnyon and Pomchonghangnyon gave an advance notice to the authorities about their schedule.

Nevertheless, the Kim Yong-sam group deployed some 18,000 heavily-armed policemen of 155 companies around Yonsei University and other places of Seoul on Tuesday [13 August] to arrest their peaceful activities for reunification. On Wednesday afternoon, more than 6,000 riot policemen of 51 companies raided Yonsei University and brutally suppressed the students, supported by eleven helicopters.

The statement considers the brutal suppression to be an outright challenge to all the fellow countrymen's desire for reunification and a barbarous group terrorism of fascists backed by "government power."

It is also an anti-national, anti-reunification crime against patriotism, it notes, and continues:

Harsh suppression is not enough to dampen the spirit of the students and people for reunification.

It is only a sign of an impending downfall of the Kim Yong-sam regime. The traitor Kim Yong-sam is now digging up his own grave.

The South Korean authorities must promptly stop the suppression of students and people in their patriotic activities for reunification and unconditionally and immediately release those who were arrested for their struggle for reunification.

The patriotic-minded students and people of South Korea will never pardon such fascists as Kim Yong-sam and the whole nation will not tolerate their brutal suppression of patriotic forces for reunification.

DPRK: ROK Stages 'Serious Provocations' Near MDL

SK1108084696 Pyongyang KCNA in English
0651 GMT 11 Aug 96

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — The South Korean puppets staged serious provocations near the Military Demarcation Line (MDL) on August 9, according to military sources.

More than 50 puppet Army soldiers fully armed with machine guns and automatic rifles took combat positions in an area near the MDL in the western sector of the front and made firing postures toward People's Army soldiers on their routine alert duty in an opposite area.

On the same day, many puppet Army soldiers wielded machine guns and automatic rifles at random near the MDL in the central sector of the front, getting on the nerves of the North.

Hundreds of puppet Army soldiers swarmed into areas near the MDL in the western and central sectors of the front to dig up attacking positions, inciting a fever of war against the North.

The puppets introduced more than 30 military vehicles loaded with lethal equipment and ammunition boxes into MDL areas in the central sector of the front.

Such provocations and ill-boding military actions of the puppets near the MDL fully show how desperately the traitor Kim Yong-sam is trying to start a war against the North.

DPRK: Democratic Front Derides Chon, No Trial as Deceptive Drama

*SK1108070996 Pyongyang KCNA in English
0618 GMT 11 Aug 96*

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — The Kim Yong-sam group have demanded a death sentence and a penal servitude for life for the preceding dictators, but this is a conventional and deceptive drama intended to calm down and mislead the public protest.

A spokesman for the National Democratic Front of South Korea (NDFSK) [SKNDF] stressed this in a statement Thursday, the Seoul- based radio Voice of National Salvation reported.

The statement said:

It is a ridiculous act that the Kim Yong-sam group have described this political drama as "liquidation of the past" to "set the modern history straight", distorting the essence of the situation.

The trial of Chon Tu-hwan and No Tae-u is not intended to break with the "Fifth and Sixth Republics" but it is a makeshift to cover up the unbreakable underhanded relations with them and maintain the "civilian"-veiled dictatorship.

It is also nothing but a hunting-tactics at the scenario of the United States to save themselves from a serious ruling crisis by making an offering of Chon and No, who are as good as living corpses, and, furthermore, create a favourable situation for the "civilian"-veiled dictatorial group's reassumption of power.

DPRK: Kim Yong-sam's 'Anti-Reunification Row' Denounced

*SK1508050096 Pyongyang KCNA in English
0454 GMT 15 Aug 96 — Official DPRK news agency*

["'Civilian' Fascist's Anti-Reunification Hysteria" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — The traitor Kim Yong-sam of South Korea had a briefing on the preparation of the "Ulchi" military drill against the North at "Chongwadae" [presidential offices] on Tuesday, according to a Seoul-based radio report.

At the briefing he voiced "concern" about the tendency of ignoring the "security" issue and stressed the need to build up "national power" and take a full alert posture and a perfect combat readiness, fostering confrontation with the North.

On the same day, he also had an "emergency meeting" of puppet home affairs, justice and education ministers held and such a repressive order as "joint statement" issued, maliciously slandering the North.

In the "statement" they alleged that the students' patriotic activities for reunification have been "manipulated behind the scene" by the North, "the pro-communist leftists have raised their head again, availing themselves of the people's slackened vigilance against communism" and the "North's situation remains unstable."

Worse still, they unhesitatingly cried for "uprooting the leftist forces and building a liberal democratic society."

The anti-reunification row kicked up by the traitor Kim Yong-sam, a dastardly fascist, is only an outcome of his fears over the South Korean people who are willing to promoting the country's reunification with the fellow countrymen in the North under the banner of great national unity.

DPRK: Paper Denounces ROK Briefing on Upcoming Drill

*SK1508052996 Pyongyang KCNA in English
0520 GMT 15 Aug 96 — Official DPRK news agency*

["NODONG SINMUN on Kim Yong-sam's War Psychosis" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — The traitor Kim Yong-sam of South Korea, in a "briefing on the preparation of the Ulchi military drill" held on Tuesday, raised outcries over the "serious situation of security" and, under its pretext, called for cultivating "strength" and taking a "full alert posture and a perfect combat readiness".

In a commentary NODONG SINMUN today defines his bellicose call as an anti-national, anti-reunification one for driving the situation of the country closer to the brink of war.

The daily says:

The Kim Yong-sam group's confrontation with the North and their war preparations are nothing but pretexts for harsh suppression of the people. They are also last-ditch efforts of those who foresee their doom in the grand march of the nation towards the reunification of the country.

What our nation draws again from the puppets' crazy acts is the lesson that with the Kim Yong-sam clique, a group of fascist tyrants and warmaniacs left in power, the Korean people can neither achieve the reconciliation and unity of the nation and the peace and peaceful reunification of the country, nor can they flee from a nuclear disaster.

The Kim Yong-sam group must promptly stop seeking a way out by intensifying the fascist suppression of the democratic forces for reunification and provocative war exercises against the north.

DPRK: Korean Residence in Japan Group Criticizes Kajiyama Remarks

SK1108072696 Pyongyang KCNA in English 0621 GMT 11 Aug 96

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — Chief Cabinet Secretary of Japan Seiroku Kajiyama said in a lecture that "many armed groups in the guise of refugees would possibly infiltrate into Japan and street battle or guerrilla warfare may take place between the two groups of Korean Residents in Japan in case of 'emergency' on the Korean peninsula." And he stressed the need to enact a "legislation for emergency" to provide for such situation.

In this connection, O Hyong-chin, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan, issued a statement to the press on Thursday.

In the statement he branded Kajiyama's remarks not only as an intolerable challenge to their homeland and nation but also as a criminal deed that incites hostility toward Korean residents among the Japanese people, isolates them and gravely threatens their human rights and life.

The remarks are an anachronistic utterance contrary to the opinion of the Japanese people of broad segments that the Japanese Government should rectify its policy of hostility toward the DPRK and open diplomatic ties with the DPRK so as to establish peaceful and friendly relations at an early date, the statement said.

DPRK: Delegates From Russian National Salvation Front Arrive

SK1008103896 Pyongyang KCNA in English 1016 GMT 10 Aug 96

[FBIS Transcribed Text] Pyongyang, August 10 (KCNA) — A delegation of the Front for National Salvation of Russia led by Valeri Smirnov [name as received], chairman of its executive committee, arrived here today.

The delegation was greeted at the airport by Choe Chin-su, vice-director of a department of the Workers' Party of Korea Central Committee.

DPRK: WPK Delegation Meets Salvadoran President 29 Jul

SK1108132396 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 7 Aug 96

[FBIS Translated Text] On 29 July, Armando Calderon Sool, president of the Republic of El Salvador, met a delegation of the Workers Party of Korea [WPK] headed by Yim Sun-pil, deputy director of a department of the WPK Central Committee, which is participating in the Sixth Meeting of Leftist Political Parties in the Latin America and Caribbean Region.

In the meeting, the head of the delegation conveyed greetings from the great leader [yongdoja] Comrade Kim Chong-il to President Armando Calderon Sool. The president expressed deep gratitude for this and asked the head of the delegation to convey his heartfelt greetings to the great leader [yongdoja] Comrade Kim Chong-il.

Welcoming the delegation's visit to El Salvador, the president said its visit is of significance in developing friendly relations between the two countries.

He then pointed out: We express an admiration for the great success registered by your country's people, who are disciplined and diligent, in consolidating and strengthening the country under the leadership of His Excellency Kim Chong-il, the supreme leader of your party, [illegible] though the great leader Comrade Kim Il-song, whom the world's people respect and admire, passed away to our regret. We hope that the two countries develop relations on the principle of mutually respecting each other's sovereignty even though the two countries are apart geographically. We support the efforts by the Korean people, who possess a long history and cultural tradition, for the country's reunification based on the confederal formula.

DPRK: Hwang Chang-yop Talks With Turkish Party Delegation

SK1208054696 Pyongyang KCNA in English 0502 GMT 12 Aug 96

[FBIS Transcribed Text] Pyongyang, August 12 (KCNA) — A delegation of the Workers' Party of Korea [WPK] had talks with the visiting delegation of the Workers' Party of Turkey [WPT] here on Sunday.

Both sides informed each other of the parties' activities and discussed the development of the friendly relations between the two parties and other matters of common concern.

Present there on the WPK side were Secretary Hwang Chang-yop of its Central Committee and other officials concerned and on the opposite side were the members of the delegation headed by Chairman Dogu Ferincek [name as received] of the WPT.

DPRK: Kim Chong-il Receives Message From Libya's al-Qadhdhafi

SK1208060096 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 9 Aug 96

[FBIS Translated Text] Comrade Kim Chong-il, great leader of our party and people, has received a congratulatory message from Mu'ammar al-Qadhdhafi, leader of the great 1 September revolution in the Socialist People's Libyan Arab Jamahiriya, on the 43d anniversary of the victory in the fatherland liberation war.

The congratulatory message reads as follows:

Pyongyang:

Your Excellency Kim Chong-il, supreme commander of the Korean People's Army:

I pay my respects to you. I am glad to send warm congratulations to you in the name of myself and the people of the Socialist People's Libyan Arab Jamahiriya on the occasion of the anniversary of your country's victory in the war. Availing myself of this opportunity, I wish you long life, health, and happiness, as well as progress and prosperity to friendly Koreans.

[Signed] Senior Col. Mu'ammar al-QADHDHAFI, leader of the great 1 September revolution in the Socialist People's Libyan Arab Jamahiriya

[Date] 25 July 1996, Tarabulus

DPRK: Paper Lauds Kim Chong-il Work on Economic Policy

SK1208061596 Pyongyang KCNA in English 0512 GMT 12 Aug 96

["Highly Important Work Vital to Implementing Party's Economic Policy" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 12 (KCNA) — The famous work "On Some Questons Arising in Implementing the Party's Economic Policy", published by the great leader Comrade Kim Chong-il on August 11, 1976, is of big significance in thoroughly carrying through the economic policy of the party, says NODONG SINMUN in an article on Sunday.

The author of the article continues:

Comrade Kim Chong-il in the work gave a down-to-earth elucidation of principled matter and methods that should be maintained by the party organizations in implementing the party's economic policy; the enhancement of self-consciousness befitting masters among administrative and economic officials, the close combination of the party life with performance of revolutionary duty and strengthening of collective guidance of the party committee.

The work finds its vitality in the fact that the socialist economic construction has been progressing dynamically today and the spirit of absoluteness and unconditionality for the party's economic policy has been running higher day by day, in the teeth of persistent economic blockade and obstructions of the imperialists.

Its vitality is illustrated also in the fact that a revolutionary change has been effected in materializing the party's economic policy by enhancing the self-consciousness and the sense of responsibility befitting masters among administrative and economic officials and the practice of giving a guidance over the party life in close combination with persormance of revolutionary duty has prevailed over the whole party.

Now Korea is building socialism under difficult circumstances, but it is sure to win.

Korea enjoys the seasoned leadership of Comrade Kim Chong-il and boasts of the solid foundation of self-reliant national econony the great leader Comrade Kim Il-song laid all his life.

DPRK: Chongnyon Sends Letter to Kim Chong-il on Liberation Day

SK1508051996 Pyongyang KCNA in English 0506 GMT 15 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — A letter to the great leader marshal Kim Chong-il was sent by the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) today on the occasion of the 51st anniversary of national liberation.

The letter says:

The August 15 national liberation which was brought about by the great leader Generalissimo Kim Il-song with the heroic victory of the anti-Japanese war marked a great event in the history of the Korean nation and the history of human liberation, which opened a new phase of chuche Korea.

As led by the generalissimo, the Korean people could meet a new morning of national liberation under the rays of the immortal chuche idea and build anthropocentric socialism in the homeland with the party, government and Armed Forces of chuche type and exalt the honor of chuche Korea all over the world.

Thanks to the indefinite benevolence of the fatherly leader Generalissimo Kim Il-song, who restored the country, the Japan- resident Koreans, too, could bring a fundamental change in their destiny, as legitimate overseas citizens of an independent sovereign state and proud masters of the patriotic cause of Chongnyon with the pride of being pioneers in the movement of overseas compatriots in the world.

The highest glory and happiness of the Koreans in Japan are those which they are enjoying a life with the honour of the Kim Il-song's and Kim Chong-il's nation that will shine long in history, by holding you the great general Kim Chong-il in high esteem at the head of the homeland and the nation.

Without your great leadership, neither the present-day happiness of the Koreans in Japan nor their future hope can be expected.

We will build Chongnyon as a single-heartedly united rank intensely loyal to you the general and a mass-based patriotic organization that embraces broad segments of compatriots including the third and fourth generations in hearty response to your historic letter, so as to defend the socialist homeland, contribute to developing our country, our homeland and firmly defend the dignity and right of the overseas citizens of the DPRK.

We will attain great unity of the Japan-resident Koreans in response to the proposal for founding the democratic confederal Republic of Koryo and under the banner of the great unity of the whole nation and intensify the movement for solidarity with the Korean people's cause of reunification among the Japanese people and the world's people, thus honourably contributing to hastening, on any account, the day of the greatest national glory when you the general will be held in high esteem in the plaza of reunification. The letter sincerely wishes general Kim Chong-il a long life in good health.

DPRK: Chang Chol Attends Wreath-Laying Ceremony at Cemetery

SK1508094296 Pyongyang KCNA in English
0937 GMT 15 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — Wreaths were laid at the Revolutionary Martyrs' Cemetery on Mt. Taesong and the Liberation Tower here today to mark the 51st anniversary of national liberation.

The wreaths were laid in the joint name of the Workers' Party of Korea Central Committee, the DPRK Central People's Committee and the Administration Council and in the name of the Ministry of the People's Armed Forces, commissions and ministries under the Administration Council, central state organs, friendship organisation and Pyongyang municipal party and power bodies, administrative and economic organs.

Vice-Premier Chang Chol and Chairman of the State External Economic Affairs Commission Yi Song-tae were present at the ceremonies.

Working people in Pyongyang and officials of the Russian Embassy here laid wreaths and flowers.

The participants paid silent tribute to the anti-Japanese revolutionary martyrs and the officers and men of the Soviet Army who fell in action for the liberation of Korea.

The diplomatic corps accredited to Korea laid a wreath at the cemetery on Mt. Taesong.

Wreaths and flowers were also laid at the liberation towers, statues and cemeteries of Soviet soldiers in Sadong District, Pyongyang and in Chongjin, Wonsan, Nampo and other local areas.

DPRK: Party, Government, Military Cadres Visit Kumsusan Palace

SK1508120996 Pyongyang Korean Central Broadcasting Network in Korean
0351 GMT 15 Aug 96
— DPRK-owned central radio network

[FBIS Translated Excerpt] Party and government cadres visited the Kumsusan Memorial Palace on 15 August to pay homage to the great leader [widaehan suryong] Comrade Kim Il-song on the occasion of the 51st anniversary of the fatherland's liberation. [passage omitted]

Comrades Pak Song-chol and Kim Yong-chu, members of the Political Bureau of the Workers Party of Korea [WPK] Central Committee and DPRK vice presidents; Kim Pyong-sik, chairman of the Korean Social Democratic Party Central Committee and DPRK vice president; Comrade Kim Yong-nam, member of the Political Bureau of the WPK Central Committee and vice premier of the Administration Council; Comrades Kye Ung-tae and Chon Pyong-ho, members of the Political Bureau of the WPK Central Committee and secretaries of the party Central Committee; Comrade Kim Chol-man, alternate member of the Political Bureau of the WPK Central Committee; Comrade Choe Tae-pok, alternate member of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee; Comrade Yang Hyong-sop, alternate member of the Political Bureau of the WPK Central Committee and chairman of the Supreme People's Assembly; Comrade Hong Song-nam, alternate member of the Political Bureau of the

WPK Central Committee and vice premier of the Administration Council; Comrade Hong Sok-hyong, alternate member of the Political Bureau of the WPK Central Committee and chairman of the State Planning Committee; Comrades Hwang Chang-yop, Kim Chung-nin, and Kim Yong- sun, secretaries of the WPK Central Committee; Comrades Kim Pok-sin and Kim Yun-hyok, vice premiers of the Administration Council; Comrade Chon Mun-sop, chairman of the State Inspection Commission of the Central People's Committee [CPC]; Comrade Yun Ki-pok, chairman of the Economic Policy Commission of the CPC; Ms. Yu Mi-yong, chairman of the Chondoist Chongu Party Central Committee; members and alternate members of the WPK Central Committee; and responsible functionaries of the party organs of power, administrative and economic organs, and social organizations, visited the Kumsusan Memorial Palace. [passage omitted]

In addition, officers and men of the Korean People's Army [KPA] visited the Kumsusan Memorial Palace on 15 August to pay homage to the great leader [widaehan suryong] Comrade Kim Il-song on the occasion of the 51st anniversary of the fatherland's liberation.

Comrade Choe Kwang, member of the Political Bureau of the WPK Central Committee, minister of the People's Armed Forces, and a KPA marshal; Comrade Yi Ul-sol, a KPA marshal; Comrade Cho Myong-nok, director of the General Political Department of the KPA and a KPA vice marshal; Comrade Kim Yong-chun, chief of the KPA General Staff and a KPA vice marshal; Comrades Kim Kwang-chin, Paek Hak-nim, and Kim Ik-hyon, KPA vice marshals; commanders of all branches of arms and services of the KPA; and officers and men of the KPA, visited the Kumsusan Memorial Palace. [passage omitted]

DPRK: Baskets Laid Before Kim Il-song Statues on Liberation Day

SK1508094496 Pyongyang KCNA in English 0941 GMT 15 Aug 96 — Official DPRK news agency

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — Working people, servicemen, students and pupils laid floral baskets and bouquets before the statues of the great leader President Kim Il- song across the country today on the occasion of the 51st anniversary of the liberation of the country.

Floral baskets were laid before the statue of President Kim Il- song on Mansu Hill in Pyongyang by senior party and state officials, citizens, servicemen, overseas compatriots and foreigners.

Placed there was a basket of flowers in the name of the great leader Comrade Kim Chong-il.

Laid before the statue were a floral basket in the joint name of the Workers' Party of Korea Central Committee, the DPRK Central People's Committee and the DPRK Administration Council (AC), and baskets in the name of the Ministry of the People's Armed Forces, the Ministry of Public Security, commissions and ministries of the AC, working people's organizations, central state bodies, educational, cultural and art and press organs, units of the Korean People's Army, and party and government bodies, administrative and economic organs and industrial establishments in the city, overseas compatriots and the diplomatic corps in Korea.

The participants made bows before the statue, praying for the immortality of President Kim Il-song.

DPRK: Papers Praise National Liberation Achieved by Kim Il-song

SK1508091096 Pyongyang KCNA in English 0859 GMT 15 Aug 96 — Official DPRK news agency

["Papers on National Liberation by President Kim Il-song" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, August 15 (KCNA) — The national liberation 51 years ago by the respected leader Comrade Kim Il-song is one of the great feats he performed in saving the destiny of the nation, Pyongyang-based papers today say in editorials dedicated to the 51st anniversary of the country's liberation.

NODONG SINMUN says the great Comrade Kim Il-song was a legendary hero who liberated the country and the father of socialist Korea who ushered in a great heyday of the nation.

It further says:

It was he that set on the road of revolution and launched an anti-Japanese war with a noble goal of liberating the country when the destiny of the nation was at stake.

He successfully guided two stages of social revolution, two rounds of rehabilitation and socialist construction in the spirit of loving the country, the nation and the people which he displayed in the years of the anti-Japanese war.

He, until his great heart stopped beating, dedicated his all to the prosperity and reunification of the country and to the happiness of posterity. All the victory of the Korean people is a fruition of his great efforts.

He had always guided the Workers' Party and people of Korea to take their own views of matters, solve all the problems on the principle of self-reliance and steadfastly maintain independence in foreign relations.

He built people-centred socialist society and laid solid foundations for eternal prosperity of the country. It is another enduring feat he performed for the country and the nation.

His august name always remains the symbol of the dignified and powerful Korean nation.

All the feats he performed for the nation have been kept all the more shining by the respected Comrade Kim Chong-il.

MINJU CHOSON stresses that the Korean people will always keep in memory the imperishable feats of Comrade Kim Il-song, who brought about a radical turn in the history of the Korean nation and its revolutionary struggle by accomplishing the historic cause of national liberation.

DPRK: Daily Hails Liberation Exploits of Kim Il-song

SK1508131196 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 15 Aug 96
— DPRK-owned central radio network

[Editorial from 15 August NODONG SINMUN: "The Great Leader Comrade Kim Il-song's Historic Exploits Achieved Before the Fatherland and Nation Will Be Immortal"]

[FBIS Translated Text] Today, our fatherland endlessly shines with the esteemed name of the great leader Comrade Kim Il-song.

At a time when the power and prestige of our fatherland has been incomparably enhanced, and the march toward the development and enrichment of our country, our fatherland, is being vigorously accelerated, we meaningfully commemorate the 51st anniversary of the liberation of the fatherland, which was achieved by the respected and beloved leader Comrade Kim Il-song.

Our nation's modern history cannot be thought of apart from the esteemed name of the respected and beloved leader [suryong] who is a peerless patriot.

The great Comrade Kim Il-song [widaehan kimilsong tongji] is not only a legendary hero who brought a new spring of national liberation for all his fellow countrymen, but also the founding father of a socialist Korea who brought about the heyday of national prosperity and development.

The revolutionary ideas of the great leader [suryong] have become the lifeline of our nation; the leadership of the leader [suryong] has become a source that pioneers the nation' destiny; and the personality of the leader [suryong] has been the centripetal force that unites the entire nation.

All party members and working people now keenly feel how great the leader [suryong] was, whom they uphold as the father of the nation, and overflow with a burning resolution to shine the leader's [suryong] historic feats down through generations.

The liberation of the fatherland 51 years ago by the respected and beloved leader Comrade Kim Il-song is a great national historic exploit that saved the destiny of the nation.

The great leader [yongdoja] Comrade Kim Chong-il has pointed out: By upholding the great leader [suryong], our people ended a long history of ordeals, greeted a new worthwhile time of revolution, and traversed a glorious and victorious path.

Our nation has a long history of five thousand years. During that long history, there was no time in which our national sovereignty was more brutally trampled upon as during the days of Japanese colonial rule. At a time when the nation's destiny was at stake, the great leader Comrade Kim Il-song was the only one who resolutely rose up along the road of revolution and waged a struggle against Japan.

The 20 years of the anti-Japanese revolutionary struggle was an arduous struggle that cannot be found in the war history of any other country. Always leading the anti-Japanese armed ranks in the van, the great leader [suryong] smashed the Japanese imperialist aggressors, who were armed from head to toe, and led the overall Korean revolution in endless upsurges, finally achieving the historic exploit of liberating the fatherland. This was a revolutionary path of struggle that can only be traversed by a peerless patriot equipped with warm love for the fatherland and people, with an iron will, and with unrivaled leadership.

The liberation of the fatherland was a historic event that fundamentally changed the flow of national history. With the liberation of the fatherland, our Korea, which had lost its rays on the world map, again emerged as a proud independent country and entered the worthwhile road for the construction of a new society.

By brilliantly achieving the cause of national liberation, the respected and beloved leader [suryong] is being admired and respected by the nation as the crusader of the nation and the benefactor of resurrection.

The fifty-year history since the liberation of the fatherland has been a proud path along which a fundamental change took place in the position and statue of our nation under the leadership of the great leader [suryong] and the great party.

The nation's greatness is the leader's [suryong] greatness. Even though our nation is a small country, the reality shows that when we receive the great leader's [widaehan suryong] leadership, we can build a powerful country based on ideology and politics and a militarily powerful country.

No different from the anti-Japanese days, the great leader [widaehan suryongnim] highly upheld the lofty banner of loving the country, the nation, and the people, and lead the two-stage social revolution, the rehabilitation and construction on two occasions, and the struggle for social construction, all along the one road of victory and glory.

Even until the last moment when his great heart stopped beating, the respected and beloved leader [kyongaehanun suryongnim] devoted everything for the nation's prosperity, for its reunification, and for the happiness of posterity, doing so for generation after generation. Due to such great pains, it was possible for our people to walk along the single road of victory.

A great achievement in the nation's history is that the great leader [widaehan suryongnim] made our nation a nation strong in independent spirit by resolutely defending independence. The chuche-oriented view of the nation as elucidated by the great leader [widaehan suryongnim] views independence as the nation's life, and calls for the entire nation to unite to advocate and achieve national independence.

The respected and beloved leader [kyongaehanun suryong] Comrade Kim Il-song always made our party and people think with their right mind; solve all problems by themselves from the principle of self- reliance; and led them so they could firmly adhere to independence in overseas relations. Due to the great leader's [widaehan suryongnim] chuche-oriented leadership, it was possible for our fatherland to become a dignified independent state, always just and fairly exercising their sovereignty in the international arena, and it was possible for our people to take pride in becoming revolutionary people who firmly advance along the road they chose, doing so with a strong independent spirit.

In today's environment, when anti-Republic maneuvers by the imperialists are becoming unprecedentedly strong, our people do not know the slightest wavering and are vigorously fighting along the one road of the revolution. This is because the independent line elucidated by the great leader [widaehan suryongnim] exists, and because they deeply bear in their minds the independent spirit implanted by the leader [suryongnim].

The great leader [widaehan suryong] Comrade Kim Il-song built socialism centered on the popular masses of the fatherland, and provided a firm basis for the prosperity of posterity, for generation after generation. This is being elucidated as an immortal achievement accomplished before the fatherland and the nation by the great leader [widaehan suryong] Comrade Kim Il-song.

Before liberation, our country was a colonial antifeudalistic society which lagged behind. However, today our country demonstrates a majestic appearance as a strong and mighty people's regime; as a firm self-supporting national economy able to walk on its own; and as a strong socialist country possessed of invincible self-reliance that can defeat aggression by any imperialists.

Our own style of socialism, as built by the great leader [widaehan suryongnim], is a most solid socialism, endlessly thriving and prospering on the firm basis of self-dependence, self-support, and self-reliant defense, and a most superior socialism in which the people's independent and creative lives are fully blossom.

As long as our own style of socialism, which is the crystal of great leader's [widaehan suryongnim] ideology and leadership, rises as an invincible fortress, the future of our nation will be firmly guaranteed.

From the first period of building a new society, the great leader [widaehan suryongnim] put forth the fatherland's reunification as the sublime nation's task, devoting everything for its realization. It is the fatherly leader [oboi suryongnim] who presented the most rational, fair, and square method for the fatherland's reunification, reflecting the entire nation's desire, and it was the leader [suryongnim] who devoted himself to achieving the nation's great unity under the banner of the fatherland's reunification.

Due to the respected and beloved leader's [kyongaehanun suryongnim] lofty ideology of loving the country and nation and his unremitting pains, the nation's reunification forces grew, and the nation's unity of all fellow compatriots in the North, South, and overseas is being strengthened. Truly, the achievements accomplished by the great leader [widaehan suryongnim] in the struggle to pioneer the nation's fate and future are immortal assets guaranteeing the infinite prosperity of the Kim Il-song nation.

Today, all achievements throughout the nation's history that were accomplished by the great leader [widaehan suryong] Comrade Kim Il- song are being wholly succeeded and further elucidated by the respected and beloved [kyongaehanun] Comrade Kim Chong-il. The nation's greatest fortune is enjoying the leader's [suryong] blessing generation after generation. The respected and beloved [kyongaehanun] Comrade Kim Chong-il is a great leader [widaehan yongdoja] of the nation who leads our nation toward endless prosperity and grandeur. Today, the great leader [widaehan changgunnim] is wisely leading the grand socialist march at the forefront to all the more make my country and my fatherland rich and powerful, which was visited and elucidated upon by the fatherly leader [oboi suryongnim].

Because there exists the respected and beloved general [kyongaehanun changgunnim]—who is possessed of an iron-like will, a peerless courage, and an extraordinary leadership—the sovereignty of our nation is being firmly adhered to, and the far-reaching plan unfolded by the great leader [widaehan suryongnim] is being brilliantly realized.

As long as there is the leadership of the respected and beloved general [kyongaehanun changgunnim], who possesses the great leader's [widaehan suryongnim] lofty ideology of loving the country and nation, our people are of the firm faith that they can achieve the fatherland's reunification and ultimate victory in the revolutionary cause without fail.

Today our people are faced with the heavy task of completing the sacred cause for national prosperity and the fatherland's reunification to the end by highly upholding the behest of the great leader [widaehan suryong] Comrade Kim Il-song.

Above all, we should forever uphold the great leader [suryong] Comrade Kim Il-song as the sun and benefactor of the nation, and should resolutely defend the leader's [suryongnim] achievements, which are of national historic significance. Our fatherland is Kim Il-song's Korea, which has been glorious due to the absolute authority of the great leader [suryongnim], and our people are the leader's [suryongnim] sons and daughters who have enjoyed happiness in his benevolence.

The respected name of the great leader [suryongnim] is the eternal symbol of our people's dignity and (?braveness). We should forever uphold the leader [suryongnim] as the sun of chuche with an iron-firm faith that the great leader [suryong] Comrade Kim Il-song is with us and will be with us forever. We should also hand down for generation after generation the great national pride in upholding the great leader [suryong] Comrade Kim Il-song as the leader [suryong], and should raise our descendants as the leader's [suryongnim] children throughout the generations.

We should boundlessly value, succeed, and develop our party's revolutionary traditions achieved by the great leader [suryongnim] as he went through the anti-Japanese sea of blood. The great leader's [suryongnim] revolutionary achievements registered in the course of building the affluent, powerful, sovereign, and independent country are precious grounds for our people's endless prosperity. We should firmly adhere to the revolutionary line of independence, self-reliance, and self-defense, as well as all other lines and policies elucidated by the fatherly leader [suryongnim], and should continue to thoroughly implement them.

All party members and working people should add luster to the leader's leadership achievements with an even greater sense of obligation than they had when the great leader [suryongnim] was alive. Upholding the leadership of the great leader [yongdoja] Comrade Kim Chong-il is a basic guarantee for our nation's eternal prosperity. To our people, the great leader [suryong] Comrade Kim Il-song is the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji], and Comrade Kim Chong-il is our fatherland. We should endlessly be loyal to the general's ideas and leadership, always being deeply aware that we have the bright future of our fatherland and nation because we uphold the great leader [yongdoja].

All party members and working people should make absolute the high authority of the great Comrade Kim Chong-il, who glorifies the Kim Il-song nation's dignity all over the world for generation after generation, and should resolutely defend and protect Comrade Kim Chong-il, politically and ideologically, with their lives. We should adhere to the ideas and theories of the respected and beloved Comrade Kim Chong-il [kyongaehanun kimjongil tongji] as the eternal lifeline of our nation, and should brilliantly implement Comrade Kim Chong-il's grand idea of the fatherland's construction.

To effect new upsurges in socialist construction is a sacred task for the wealth and prosperity of our country, our fatherland. Today, when our revolution faces unprecedentedly huge tasks, our party appeals to the entire party, the entire army, and all the people to rise up to effect a new turnabout in socialist construction. By adhering to and thoroughly implementing the party's revolutionary economic strategies, all party members and working people should generally and greatly display the might and superiority of our own style of popular masses-oriented socialism.

We should continue to vigorously carry out the work of strengthening the national defense ability, and should thoroughly defend our valuable revolutionary gains. In today's struggle for socialist construction, we should embody the invincible fight displayed by anti-Japanese revolutionary martyrs in their sacred struggle for the fatherland's liberation. All party members and working people should create new miracles and innovations in all domains, overcoming all difficulties and trials with the spirit of the arduous march.

All sectors and posts of the revolution and construction should unconditionally and thoroughly implement the militant tasks presented by the party, following the revolutionary military spirit the People's Army soldiers displayed in building the Kumgangsan Power Plant.

The tragedy of national division still remains today after the lapse of over half a century following the liberation of the fatherland. The reunification of the fatherland is the supreme task of the nation that cannot be delayed any longer. Upholding the behest of the great leader [suryong] Comrade Kim Il-song for reunification, all people should stoutly struggle to achieve reunification based on a confederal system with one nation and one country, two systems and two governments.

Brilliantly inheriting the tradition of national unity prepared in those days of the anti-Japanese struggle, we should vigorously carry out the nationwide struggle for the fatherland's reunification. All Korean compatriots in the North, South, and overseas should overcome differences of ideologies and systems in order to firmly unite themselves under the banner of the 10-Point Program of Great Unity of the entire nation. They should make their own contribution to the cause of the fatherland's reunification. Those who are influential should do so with their power; those who are intelligent should do so with their knowledge; and those who are rich should do so with money.

Our people, who vigorously advance along with the great General Kim Chong-il as the lodestar of reunification, will achieve the historic cause of the fatherland's reunification without fail after smashing the maneuvers by divisionists at home and abroad. Brighter prospects are in store for our fatherland and nation, which upholds the great leader [yongdoja]. Let us all firmly unite ourselves with one mind and will around the great leader [yongdoja] Comrade Kim Chong-il, and more vigorously struggle for the wealth and development of our country, our fatherland, as well as for the reunification of the fatherland.

DPRK: Japanese Delegation Visits Kumsusan Memorial Palace

SK1108073396 Pyongyang KCNA in English 0625 GMT 11 Aug 96

[Names as received]

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — The second Japanese delegation for the study of the chuche idea led by Koichi Miyoshi, vice-president of the National Liaison Council of Societies for the Study of the Chuche Idea, visited the Kumsusan Memorial Palace where the great leader President Kim Il-song lies in state, on Saturday to pay homage to him.

The head of the delegation wrote in the visitor's book that they express deep condolences from the bottom of their heart over the death of President Kim Il-song, the great thinker and practician. "We hope that the Korean people will defend the honor of the nation to the last, rallied around the leader Kim Chong-il as one in mind," he added.

Hiroharu Seki, director of the board of the International Institute of the Chuche Idea and professor of Ritsumeikan University of Japan, wrote that he highly lauds the achievements of the great President Kim Il-song, the greatest statesman produced by the 20th century.

Deputy head of the delegation Satao Sakaino wrote that he makes an oath to the great President Kim Il-song to vigorously struggle to build a people-centred system and a new world of love and trust, peace and equality.

DPRK: Turkish, Russian, Japanese Groups Visit Mansu Hill

SK1108070596 Pyongyang KCNA in English 0614 GMT 11 Aug 96

[All names as received]

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — Foreigners visited the statue of the great leader President Kim Il-song on Mansu Hill on Saturday to pay homage to him.

They were a delegation of the Workers' Party of Turkey led by Chairman Dogu Perincek, a delegation of the Front for National Salvation of Russia led by chairman of its executive committee Valeri Smirnov, and a "ship of peace" youth friendship visiting group of Japan headed by Tatsuo Hayashi, who is advisor to "ship of peace" and former representative of the International Volunteers Centre in Japan.

The visitors laid floral baskets and bouquets and made bows before the statue.

DPRK: Overseas Koreans Visit Kim Il-song Statue on Mansu Hill

SK1108072796 Pyongyang KCNA in English 0622 GMT 11 Aug 96

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — Overseas Koreans visited the statue of the great leader President Kim Il-song on Mansu Hill on Saturday to pay homage to him.

Among them were a delegation of the overseas headquarters of the National Alliance for the Country's Reunification (Pomminnyon) headed by Yu Tae-yong, co-chairman of the U.S. headquarters of Pomminnyon, and a delegation of the overseas headquarters of the National Alliance of Youth and Students for the Country's Reunification led by its co-chairman Pak Ku-ho, which are staying here to participate in the seventh pan-national rally.

The visitors laid flowers and made bows before the statue.

DPRK: Foreign Delegations Visit Kim Il-song Statue

SK1208053796 Pyongyang KCNA in English 0451 GMT 12 Aug 96

[All spellings of foreign names as received]

[FBIS Transcribed Text] Pyongyang August 12 (KCNA) — The delegations of the Workers' Party of Turkey led by its Chairman Dogu Ferincek and the Front for National Salvation of Russia led by Valeri Smirnov, chairman of its executive committee, on Sunday visited the Kumsusan Memorial Palace, where the great leader President Kim Il-song is preserved in state, to pay homage to him.

They made bows before President Kim Il-song, who lies in state.

Dogu Ferincek wrote in the visitor's book that Comrade Kim Il- song's spirit of overcoming difficulties and resolution in the struggle for independence and [word indistinct] in the construction of man-centre socialist society are [word indistinct] mental source for [words indistinct]

Valeri Smirnov wrote that Comrade Kim Il-song's cause guaranteeing the destiny and bright future of the Korean people is invincible.

DPRK: Chang Chol Greets Returning Olympic Athletes

SK1008103696 Pyongyang KCNA in English 1014 GMT 10 Aug 96

[FBIS Transcribed Text] Pyongyang, August 10 (KCNA) — The DPRK Olympic team returned home today after attending the 26th Olympic Games.

The DPRK athletes clinched two golds, one silver and two bronzes at the games held in Atlanta, United States.

The gold medals went to a woman judoist Kye Sun-hui, who pinned her Japanese counterpart known to be the world's strongest, and a wrestler Kim Il, a freestyle 48 kg category champion at the 25th Olympic Games, thus making him a twice gold medalist.

A number of working people, schoolchildren and sportsmen and sportswomen heartily welcomed the returnees at the airport and on the streets.

They were greeted at the airport by Vice-Premier Chang Chol, Chairman of the State Education Commission Choe Ki-yong, First Vice-Chairman of the State Physical Culture and Sports Commission Chang Son-kang and officials concerned with sports and education.

Athletes gave floral necklaces and bunches of flowers to the medalists, giving them a ride on their shoulders.

The Pyongyang streets were chockablock today with citizens of various circles with bunches of flowers in their hands.

They warmly welcomed the athletes who were driving along the streets in open-air cars after exalting the honour of the fatherland as true sons and daughters of the great leader Comrade Kim Chong-il.

The athletes went to the statue of the great leader President Kim Il-song on Mansu Hill with medals hung on their necks. They laid a floral basket before the statue and made bows in deep reverence.

In front of the statue, they hardened the determination to continue to glorify the honour of Kim Il-song's nation by becoming victors at the future international games.

DPRK: Chang Chol Attends Party for Olympic Athletes

SK1108073496 Pyongyang KCNA in English 0627 GMT 11 Aug 96

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — The Administration Council of Korea gave a party Saturday evening for the athletes who took part in the 26th Olympic Games.

Seen at the party were Vice-Premier Chang Chol, first vice- chairman of the State Physical Culture and Sports Commission Chang Son-kang and officials concerned.

Present were athletes including the Olympic gold medalists Kye Sun-hui and Kim Il.

DPRK: Pak Song-chol, Kim Yong-nam, Others Watch Feature Film

SK1108064996 Pyongyang KCNA in English 0634 GMT 11 Aug 96

[FBIS Transcribed Text] Pyongyang, August 11 (KCNA) — Senior party and government officials of Korea appreciated Saturday [10 August] the third part of the CAPF (Coreen Artiste Proletarienne Federation) Writers, the 36th part of the multi-part feature film "The Nation and Destiny" at the People's Palace of Culture [sentence as received].

Among them were Pak Song-chol, Kim Pyong-sik, Kim Yong-nam, Chon Pyong-ho, Han Song-yong and others.

The film shows that literary men at Tokyo Branch of the CAPF including Yi Chan, who is enjoying a trial-ridden life with distress of a colonial intellect, greatly encouraged by a gun report for national restoration made by an armed group of the Korean revolutionary army led by Comrade Kim Hyong-kwon, an indomitable communist revolutionary fighter, at Pabal-ri, Pungsan County, actively conduct the movement for proletarian literature and the Tokyo Branch is dismantled by the Japanese imperialists.

Through the then literary men's destiny full of vicissitudes, the film stresses that without an outstanding leader and their own motherland a people cannot enjoy a true life nor carry on progressive literary activities.

DPRK: Farms Take Various Measures Against Flood Damage

SK1208084796

[FBIS Report] Pyongyang Korean Central Broadcasting Network in Korean at 1200 GMT on 1 August carries a report on cooperative farms in the Sunan district of Pyongyang laying out various measures to prevent flood damage. The report, which lasts less than one minute, says that functionaries and farmers of the farms in this area "are hustling to protect well-grown rice and corn on every field from floods and rainy storms, so as to have bumper crops." The radio mentions that agricultural workers of Anhung Cooperative Farm are putting extra effort into building dikes. Agricultural workers of Paegam Cooperative Farm are reportedly busy with various activities to protect crops, including driving stakes in around the farm.

Pyongyang Korean Central Broadcasting Network in Korean at 2200 GMT on 6 August carries a one-minute report on the Yongjong Cooperative Farm in Orang County. The report notes that the farm's agricultural workers are devising necessary ways to protect rice fields from rain. Talking about "thorough measures against heavy rains," the report highlights the Yongjong farmers' building of some 6,000 meters of waterways to drain water from farms. In addition, the radio notes that members of various work teams in this area have nearly completed constructing dams in valleys.

Finally, Pyongyang Korean Central Broadcasting Network in Korean at 1200 GMT on 19 August carries an under-one-minute report noting that "functionaries and working people of each district, deeply aware of the importance of constructing dikes in rivers and valleys, constructed some 390 km of dikes along small and big rivers and streams over the last five years," and they are continuing this job this year.

DPRK: Official Comments on Increased Power Production

SK1208093096 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 7 Aug 96

[FBIS Translated Text] All functionaries and working people across the country are actively learning from the spirit of struggle displayed by the soldier-builders of the Kumgangsan Power Plant, and every work site is achieving innovations. Following the revolutionary soldier spirit, electricity producers at power plants in various areas under the Ministry of Power Industry are generating more power daily. Station reporter Kim Yun-chin interviewed Comrade Kim Hyong-nae, chief guiding personnel of the Ministry of Power Industry.

[Begin Kim Hyong-nae recording] The revolutionary soldier spirit and the indomitable and unbendable spirit of struggle displayed by the soldier-builders of the Kumgangsan Power Plant is the revolutionary and absolute spirit to unconditionally complete any difficult task given by the party. The electricity producers at power plants in various areas under the Ministry of Power Industry are actively learning from their revolutionary spirit of struggle and work examples, and are generating 106 percent of the daily power produced during the same period in the previous month.

Functionaries of the Taedonggang Power Generation Complex have inspired workers to increase power production. They are generating 10,000 kw more than the daily plan. They eliminated in advance the factors causing malfunctions in generators, and waged the struggle to guarantee high efficiency and operating rates for every generator, thus generating more power.

The working class of the Changjagang Power Plant is managing water in a technological way, normalizing power production at a high level. Power producers at this plant generated 0.2 times more power than last month. They are waging a vigorous struggle to fill the reservoir with more water.

The working class of the Kanggye Chongnyon Power Plant are managing the waterway and facilities well, minimizing leaks, and distributing the load in a reasonable way in conformity with the conditions of the generators, thus overfulfilling the power generation plan daily.

Electricity producers at the Changjingang Power Plant and many other power plants are generating more electricity by vigorously waging the struggle to secure enough water. They guarantee a high operating rate and overfulfill daily production plans with the same amount of water.

Functionaries and the working classes at the Pyongyang Thermal Power Generation Complex and Pukchang Thermal Power Generation Complex are vigorously waging the struggle to effect great upsurges, while generating more power.

Engraving in our hearts the lofty intention of the great leader [yongdoja] General Kim Chong-il, we will learn from the revolutionary soldier spirit of the officers and men of the heroic Korean People's Army, who brilliantly completed such a world-class nature reforming project as the Kumgangsan Power Plant; uphold our party by generating more power, and glorify the socialism of our own style in every way. [end recording]

DPRK: Kowon Plant Overfulfills Target for Export Goods

SK1508082596 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 13 Aug 96 — DPRK-owned central radio network

[FBIS Translated Text] The workers of the Kowon Clothing Plant, which is waging a vigorous struggle to implement the party's trade- first policy, are overfulfilling their daily production target for export goods by 20 percent.

The plant workers are lighting a blaze of concerted innovations in all processes in order to fulfill ahead of schedule the tasks assigned to them. The members of the cutting work team are swiftly supplying cut materials by introducing advanced cutting methods, and the members of the No. 1 and No. 2 sewing work teams are overfulfilling their daily targets by 50 percent through engaging in full operations.

DPRK: Daily Urges Counties To Be Self-Supporting

SK1408141596 Pyongyang MINJU CHOSON in Korean 23 Jul 96 p 2

[Article by Chon Chong-ho: "Managing the Economies of the Counties With Their Own Efforts Is an Important Duty of Local Government Organs"]

[FBIS Translated Text] The struggle to develop the local economy with the county as a unit, and to effect an epochal change in the people's livelihood, is being vigorously waged throughout our country. In today's struggle to accelerate the overall socialist construction, and thus exalt the superiority of our own style of popular masses-centered socialism by managing the economies of the counties with their own efforts, the duties of local government organs are quite weighty and vital.

The great leader [yongdoja] Comrade Kim Chong-il has indicated: "In order to solve the people's livelihood by implementing the party's revolutionary economic strategy, it is very important to exalt the initiative of local districts and to mobilize the resources and potential of these local districts. In particular, we should make active efforts to enhance the county's role so that all counties can solve the people's livelihood with their own strength under the principle of self-reliance."

Managing the county's economy with its own strength is one of the important tasks in accelerating the country's overall socialist construction. Managing the economies of the counties with their own efforts means solving all problems that arise in developing the economy and in promoting the people's livelihood by using locally available resources and potentials.

A county is the comprehensive unit of the local economy and culture. It is also the basic unit directly in charge of a local economy. Provided in this are the economic sector and cultural facilities directly related to the people's livelihood, including local industries and the rural economy. There are also various natural resources and reserves.

This shows that, in our country, counties play important roles in developing the local economy and in promoting the people's livelihood.

Socialist construction provides the popular masses with a more independent and creative life; in our country, it is carried out with the county as a unit.

When counties, which occupy one two-hundredth of the country, manage their respective economies with their own efforts by enhancing their roles, only then can a great upturn in the people's livelihood be effected and the country's overall socialist construction be vigorously carried out.

Our party has concentrated great attention on the work of strengthening the counties and on promoting the counties' role based on deep scientific insight into the position and role of counties in socialist construction, and has wisely led the struggle for the realization of such work.

Thanks to our party's wise leadership, which has elucidated the direction and ways to manage the economies of the counties, and which has provided a firm foundation to develop local industries and the rural economy and to promote the people's livelihood, all counties in our country have outstandingly changed into regional strong points of socialist construction in which all conditions in directly managing their respective local economies have been provided.

When the economies of the counties are managed with their own efforts as intended by our party and the behest of the fatherly leader [suryongnim], who devoted everything to economic construction and the people's livelihood when he was alive, only then can they be thoroughly implemented; only then can be realized the lofty plan of the great leader [yongdoja] Comrade Kim Chong-il to make our country, our fatherland, which already shines with the revered name of the respected and beloved leader [suryongnim], richer and stronger.

Local government organs are the primary-level organizations that guide and manage all sectors of social life in their respective areas in a responsible manner, including the political, economic, and cultural sectors. Local government organs have the duty and right to control and manage all people and economic units in their respective areas, and have the duty to perform the role of the masters responsible for the overall economy of their respective areas. Proceeding from this, managing the economies of the counties with their own efforts constitutes the duty local government organs should perform.

Another reason why managing the economies of the counties with their own efforts is an important duty of local government organs is that doing so is an indispensable demand that proceeds from their people-oriented character and their duty as servants of the people.

The character and mission of local government organs are important factors that prescribe the duty and direction of the activities of local government organs; the raison d'etre of local government organs is decided by their character and mission. The solidness and vitality of local government organs rests precisely with their duty and struggle.

To thoroughly adhere to its working-class and people-oriented character, and to perform its historic mission, a socialist government should solve all problems arising in its activities in conformity with the aspirations and demands of the popular masses, and all its work should be directed toward providing the popular masses with an independent and creative life.

Our local government organs are genuine local government organs that have actively struggled to reflect the policies of the party and state among the working masses and to provide them with an independent and creative life. Our local government organs are not organs of power [kwollyok kigwan]. They are the representatives of the working masses of people, the organizers of creative ability and activity, the householders who are responsible for the people's livelihood, and the protectors of the people's interests. In other words, our local government organs are service organs that serve the people.

Thus, local government organs should carry out all activities, emphasizing the independent demand and interests of the people in their respective areas, so they can not only exercise their rights as masters of their local government organ and as the persons in charge of politics in a substantial manner, but can also perform their responsibility and role as the masters of government organs.

The aspiration and demands of the popular masses are a guideline for the practice of the revolution. When we put the interests of the popular masses in the first place of the revolution and construction, and solve all problems in conformity with the interests of the popular masses, then we can not only provide the popular masses with genuine freedom and rights as well as a sound and civilized life in all fields of social life, but can also achieve an independent and creative life for the popular masses.

Managing the economies of the counties with their own efforts is essentially work to develop the local economies; to promote the people's livelihood; and thus, to provide the popular masses with a rich economic and material life. An economic life and a material life are the basis for a social life; the noble life of independent human beings is further ensured by an economic life along with a political life.

Local government organs, firmly adhering to the position that they are servants of the people, should effectively utilize the natural and geographical conditions of counties, and should mobilize all available local resources and potentials to the maximum while emphasizing the people's demands and interests. Thus, local government organs should make the people's material and cultural life richer and more affluent. By doing so, they can outstandingly perform their mission as the masters responsible for the people's livelihood. To correctly mobilize and exploit all the natural resources and economic potentialities in the counties, and to manage the economies of the counties with their own efforts, are important guarantees for local government organs to further exalt the superiority of our own style of socialism and to adhere to the popular and working-class character of our people's regime, which has been established in conformity with the opinions and desires of the popular masses.

Managing the economies of the counties with their own efforts is an important duty of local government organs because it is a significant demand arising from the function and role of local government organs.

In order to manage the economies of the counties with their own efforts, local government organs should not only correctly utilize natural and geographical conditions and all kinds of resources, but should also manage and operate them in a unified manner. Managing the economies of the counties with their own efforts is aimed at promoting the people's well-being by remaking and dominating nature; this can be carried forth in the course of mobilizing and making rational use to the maximum of all reserves and possibilities in the counties.

Local government organs regard their fundamental function as taking charge of the overall social life of the relevant regions in a unified manner and regulating and controlling their development. The function of unified guidance of local government organs is a comprehensive function that ensures their creative activities and realizes the independent demand of the popular masses. This mobilizes and taps all conditions and potentialities in the counties in a unified banner. Local government organs, playing up to their functions as comprehensive political organizations, should unite the residents of the relevant regions in an organized manner; should properly and purposefully guide their activities; and should control and guide them to mobilize and tap all sorts of production potentialities to the maximum, including all the necessary materials and funds for the economies of the counties, thus playing a decisive role in expediting economic construction and promoting the people's livelihood with their counties' own efforts. Only by using the function of unified guidance of local government organs can a balanced and harmonious development be achieved in all sectors and regions, and can the creativeness of individual sectors or units be highly exalted. In so doing, they should actively contribute to developing local economies and to promoting the people's livelihood. This proves that for local government organs to manage the economies of the counties with their own efforts is an important duty arising from their functions and roles.

Managing the economies of the counties with their own efforts is an important duty of local government organs at all levels as well as the road to discharge their mission and play their role as true servants of the people.

The experience of the Chonchon County Commercial Management Office and of Maengsan County show that responsible functionaries can promote the people's livelihood and can brilliantly manage the economies of the counties under difficult and disadvantageous conditions if they have loyalty toward the party and the leader [suryong], if they strive hard to improve the people's standard of living, and if they lead the masses by highly exalting the revolutionary ethos of leading others by example.

Cherishing deep in their hearts their responsibility as those who are directly in charge of the economies of the counties, all functionaries of local government organs should manage the economies of the counties with their own efforts, thus actively contributing to extensively exalting the superiority of our own style of socialism and to achieving the enrichment and prosperity of my country, my fatherland.

South Korea

ROK: Clinton Sends Kim Yong-sam Message on Liberation Day

SK1408051396 Seoul THE KOREA HERALD in English 14 Aug 96 p 2

[FBIS Transcribed Text] U.S. President Bill Clinton, in a Korean Liberation Day message to President Kim Yong-sam, yesterday expressed his hope for an early realization of the four-nation Korean peace talks.

"... You and I made our proposal for a four-party meeting, which we hope will lead soon to negotiations to achieve a permanent peace on the Korean Peninsula," Clinton said.

Kim and Clinton made the proposal in April this year, offering North Korea and China to join their nations in negotiations aimed at replacing the Korean armistice agreement.

The U.S. president noted in the message that South Korea has compiled an extraordinary record of political, economic and cultural achievements.

"This past year has been no exception, with Korea's election to the U.N. Security Council, the continuation of its phenomenal economic growth and its selection as co-host of the 2002 World Cup."

Clinton said the United States and South Korea have developed unbreakable bonds of friendship and alliance from the time of the peninsula's liberation (from Japan's colonial rule in 1945), through the Korean War to the current joint diplomatic efforts.

"The United States is proud to join you in celebration of your Independence Day," he said.

ROK: Dacom, U.S.'s COM21 Form Alliance for Multimedia Business

SK1408051096 Seoul THE KOREA HERALD in English 14 Aug 96 p 8

[FBIS Transcribed Text] In a bid to enter the cable TV-based multimedia service business, Dacom has formed a strategic alliance with COM21, a renowned U.S. cable modem maker.

Dacom said yesterday that it has acquired a 4.8-percent stake in the Mountain View, Calif.-based COM21 for $4 million.

Dacom and COM21 will push to jointly develop the ATM (asynchronous transfer mode) voice-data cable modem and other related software. ATM refers to a digital transmission system capable of delivering document, voice and video simultaneously through one communication line.

Using the combined voice-data cable modem, envisioned by Dacom and COM21, cable TV operators will be able to dispatch multimedia data about 300 times faster than through existing telephone lines, said Pak Chae-chon, a Dacom executive.

"In other words, Dacom's new cable modem will accommodate a variety of multimedia services, including video on demand (VOD), interactive TV service, and ultra high-speed Internet and PC on- line services, in addition to the conventional voice calling service," he said.

"Multimedia and telephony capabilities will also prove highly useful in the event of Dacom's possible selection as an Information Superhighway service carrier," he noted.

Forrester Research, a U.S. research company, forecast that prospects for the cable modem market are very bright as a growing number of governments worldwide are moving to allow CATV network owners to additionally offer multimedia and telephony services.

The company said that the demand for ATM cable modems will reach 7.7 million units in the United States alone by 2000, while the worldwide demand will soar to the 15 million level by then.

ROK: AmCham Denies Inclusion of ROK in Visa Waiver Program

SK1408041996 Seoul YONHAP in English 0126 GMT 14 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 14 (YONHAP) — Tami Overby, executive director of the American Chamber of Commerce (AmCham) in Seoul, denied a newspaper report Wednesday claiming that South Korea is likely to be included in the list of Visa Waiver Pilot Program (VWPP) for entry to the United States.

In Wednesday's KOREA TIMES, a report quoting the Korea International Trade Association said that the nation is "expected" to be included in the VWPP, which has been renewed for two more years by the U.S. Government.

A leading official of the U.S. Commerce Department did say that Washington has no objections to granting South Korean VWPP status but that the prerequisites needed to qualify for the program remain the same, according to Overby.

The AmCham official stressed that the only ways for South Korea to qualify for the VWPP is to meet the required rejection rate, which the nation is far off from doing, or push for legislation from congress, which is a longer term prospect.

ROK: 'Diplomatic Source' Comments on U.S.-DPRK Missile Talks

SK1508011896 Seoul YONHAP in English 0113 GMT 15 Aug 96 — Semiofficial news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug. 15 (YONHAP) — The United States is currently discussing the possibility of resuming missile talks with North Korea next month, a diplomatic source in Seoul said Thursday.

"Both sides are nearing an agreement for the resumption of missile talks, although there are a slight differences on the agenda for the meeting," the source said. "They are discussing details on the venue and date for the September meeting."

He said North Korea, which has taken a passive stance on the talks, has responded favorably to the projected conference taking into consideration its relations with America.

If the missile talks resume next month, he continued, the delegates from both sides who attended the missile talks held in Berlin last April will represent their countries.

Regarding the agenda issues, the United States reportedly insists that the talks should focus on how to control North Korean missiles to prevent the weapons of mass destruction from proliferating, while North Korea insists on addressing major pending issues including peace on the Korean peninsula.

At the Berlin talks in April, the United States urged North Korea to join the Missile Technology Control Regime (MTCR), pointing out North Korean Scud and Nodong missile exports to such Middle Eastern countries as Iran, were threatening world peace as well as stability in northeast Asia.

ROK Unification Attaches Assigned to U.S., Japan, PRC

SK1208015396 Seoul YONHAP in English 0044 GMT 12 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 12 (YONHAP) — The government named three officials Monday who will each be assigned to South Korean missions in the United States, Japan and China to deal with unification affairs.

The unification attaches will be assigned to collect information about North Korea and to enhance international cooperation in matters related to Korean reunification, the national unification ministry said.

They will work as diplomats at the embassies for three years and will collect information about North Korea and seek cooperative ties with the governments of their host countries on unification issues.

The newly-appointed officials are Yang Chang-sok to Washington, Kim Ho-yon to Tokyo and Yun Chong-tal to Beijing. They are scheduled to leave for the countries they have been assigned to at the end of this month.

Two unification attaches, one a grade-four and the other grade-five official, have been stationed in Germany since 1991.

ROK: U.S. Releases on Bail Member of DPRK Gymnast Team

SK1408091096 Seoul YONHAP in English 0605 GMT 14 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 14 (YONHAP) — A member of the North Korean gymnastics team, who was arrested on child molestation charges in Atlanta, the venue for the centennial Olympics, has been released on bail, a Foreign Ministry official said Wednesday.

"Chang Kyong-nam was recently released after paying 50,000 dollars in bail and is awaiting trial on charges that he touched the hair and legs of a nine-year-old American girl at a cinema near the Carter Center," he said.

Counsellor Han Song-yol at the North's permanent mission in the United Nations, New York, last Saturday [10 August] met with Director Mark Minton of the U.S. State Department's Korea Office to ask for help in the alleged child molestation case involving the North Korean, the official said.

The State Department, however, is not in a position to meddle in the judicial procedures of a local Atlanta court, the official said, adding that the charges can only be dropped if the parents of the alleged victim do not press charges.

The North Korean side insists that Chang just touched the girl on the leg muscle, saying that she has very good legs for gymnastics.

The parents of the girl, however, insisted that Chang slipped his hands into their daughter's underwear.

All seven members of the North Korean gymnastic teams have yet to return to the North because of the case, the official said.

ROK Official: U.S. Informed of Willingness To Aid DPRK

SK1508081596 Seoul TONG-A ILBO in Korean 15 Aug 96
p 1 — South Korea's second-largest and second-oldest daily newspaper

[Report by Pang Hyong-nam]

[FBIS Translated Text] It was learned on 14 August that the government conveyed through the United States to North Korea its willingness to help North Korea resolve its food shortage if North Korea responds to the four-way talks.

A high-ranking Foreign Ministry official stated that the government has already informed the United States of such a position, and that since the United States recently held contacts on three occasions with Han Song-yol, minister-councilor at the North Korean mission to the United Nations, to discuss the four-way talks, then the ROK's proposal must have been conveyed to North Korea.

This official said the rehabilitation of submerged land, the rebuilding of damaged waterways and irrigation facilities, and the production of fertilizers and agricultural medicine can be included among the basic measures for increasing agricultural production in North Korea.

He felt that since North Korea failed to receive a response from the United Nations to its request for food aid, the possibility is great North Korea will accept the ROK's proposal.

He also revealed that on 9 August Kim Hyong-u, North Korean ambassador to the United Nations, visited Akashi Yasushi, UN deputy secretary general (in charge of aid to India), and said that damages in 117 areas throughout eight counties in North Korea, which were caused by the torrential rains which fell in the Sinuiju area, totaled $1.7 billion. Kim Hyong-u then asked for additional aid from the international community. On 5 August, he attended a meeting along with ten other nations at UN Headquarters, which was arranged by the UN Development Program to discuss measures to support North Korea's flood damage. However, there was no noticeable response. During the 10 August contact with Mark Minton, chief of Korean affairs within the U.S. State Department, Han Song- yol said he has not received "any guidelines from our country" and did not show any concrete response to the four-way talks.

However, an ROK Foreign Ministry official pointed out that the United States and North Korea agreed to continue their dialogue, including the agreement to resume the second-stage exhumation of the remains of U.S. soldiers who died during the Korean war, in September.

ROK: Foreign Ministry White Paper Views DPRK's Food Shortage

SK1408044996 Seoul YONHAP in English 0236 GMT 14 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 14 (YONHAP) — The Foreign Ministry attributed the chronic food shortage of North Korea to the North's systematic problems which cannot be solved by importing food on a short-term basis.

In a Foreign Ministry White Book released Wednesday, the ministry held the North's backward agricultural technology, lack of fertilizer, farming equipment and inadequate transportation system responsible for its food problems.

Low productivity in state-run collective farms are also one of the major factors which have caused the North's chronic food shortage, according to the paper.

The adoption of market economy systems by the North's traditional Chinese and Russian allies has also aggravated the food shortage in that those countries have refused to provide rice and other grains at preferential prices.

The paper put the estimated food shortage of the North at about 1.15 million tons for 1996, saying that North Korea produced 4.1 million tons of grain in 1995 and secured 750,000 tons from abroad. The North's total grain need for the year was estimated at six million tons.

The paper also explained that North Korea has been suffering from more than a one million ton grain shortage annually since 1992. North Korea has been affected by floods and hail for the past few years.

ROK President: Seoul Willing To Help Solve DPRK Food Problem

SK1508023296 Seoul YONHAP in English 0209 GMT 15 Aug 96
— Semiofficial news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug. 15 (YONHAP) — President Kim Yong-sam expressed readiness to help North Korea solve its food problem Thursday, if Pyongyang accepts the proposed four-way peace talks on the Korean peninsula.

"We are willing to contribute to solving North Korea's food problem more basically," the chief executive said. "First, we'll be able to elevate the North's agricultural productivity through a variety of means and help the North rehabilitate the flood-damaged farmland by loaning equipment and other means."

While addressing a ceremony commemorating the 51st national liberation day held at the Sejong Cultural Center in central Seoul, Kim said that the South is also prepared to invest in the North's Najin-Sonbong Free Economic and Trade Zone, supply needed materials to the North through expanded inter-Korean trade, and allow South Korean tourists to visit the North.

Calling for inter-governmental agreements to facilitate economic exchange between the two Koreas which he said will be led by private businesses including the guarantee of safety in the exchange of personnel and materials, Kim expected that "the South and North Korean government authorities will promote more meaningful and substantial economic cooperation through a dialogue based on the principles of easing tension and reciprocity."

Kim again urged Pyongyang to accept the four-way talk proposal and said, "Once the four-country talks take place, North Korea will be able to achieve political stability, military trust and economic benefits."

Kim suggested that the four-way talks agenda include the establishment of a peace regime replacing the Armistice Agreement that ended the 1950-53 Korean war, how to establish military trust and inter-Korean economic cooperation from the perspective of easing tensions between the two Koreas.

As a basic stance toward achieving peace and inter-Korean economic cooperation, Kim said that "first of all, we want stability in North Korea," and added, "it would be undesirable for the difficulties the North is now confronted with to develop into a situation affecting the stability of North Korea."

"We do not want to see North Korea isolated and we will not seek a unilateral unification," Kim declared.

The Korean peninsula issues, Kim said, should be "resolved through peaceful and practical means in accordance with free mutual agreements reached between the South and North."

Emotional unification theories or assertions that the South should provide the North with unilateral aid, however, won't help resolve the Korean peninsula issues, Kim pointed out, warning, "subversive forces challenging liberal democracy, the foundation of the country, will be dealt with sternly."

Calling for the emergence of specialized politics with a global perspective, Kim said, "by early next century, our country must expand its economic scale to 1 trillion U.S. dollars and its trade scale to the level of 500 billion dollars."

ROK Article Views Government Stance on DPRK Food, Aid Issues

SK1508013196 Seoul THE KOREA HERALD (SUPPLEMENT) in English 15 Aug 96 p 4 — Generally pro-government English-language daily

[By staff reporter Kim Kyong-ho]

[FBIS Transcribed Text] South Korea and its major allies feel the need to make a strategic judgment beyond humanitarian considerations in deciding whether to provide North Korea with massive food aid.

A severe food shortage in North Korea, worsened by flooding last summer, seems to be developing into more of a political opportunity than the explosive crisis they feared a few months ago.

The isolated Communist state is opening its door to food aid from countries it threatens with attack, rather than risk internal disaster and collapse.

This presents South Korea, the United States and Japan with an opportunity to tame North Korea and bring it into the international community.

South Korean officials believe the opportunity can be turned into reality by providing large-scale food aid for North Korea only after it proves it is ready to become a good neighbor.

Specifically, they have made it clear North Korea should attend four-way peace talks proposed by Seoul and Washington, which will also involve China, if it is to receive massive food assistance.

On its part, North Korea has demanded more food aid and eased economic sanctions before agreeing to four-party talks aimed at securing a permanent peace regime on the Korean Peninsula.

Washington, which favored massive food aid to North Korea as an inducement to the proposed four-way talks, now appears to back Seoul's position.

U.S. Assistant Secretary of State Winston Lord said in July Washington would consider Pyongyang's demand "once we get the negotiations under way."

A South Korean Foreign Ministry official said massive food aid is something that should be used as a "strategic leverage over North Korea."

Before the proposal of four-way talks by President Kim Yong-sam and U.S. President Bill Clinton last April, South Korea had said additional food aid for North Korea would come only after the North makes a formal request and holds a government-level meeting with the South on the Korean Peninsula.

South Korea, which provided North Korea with 150,000 tons of rice free of charge last year, refused to send more rice following North Korea's harsh treatment of those crewmen aboard vessels delivering rice.

After talks with North Korea on additional rice aid broke down in Beijing last October, the South Korean government also banned private groups from sending grain or cash to the North.

South Korea nearly turned a deaf ear to an appeal by international agencies for assistance to North Korea late last year, donating only a symbolic amount of relief goods.

South Korea was under increasing pressure to ease its hard-line stance as international relief organizations were moving toward a second round of appeal for assistance to North Korea earlier this year.

In addition to $2.4 million it had already donated, the United States committed $6.2 million to U.N. relief programs worth $43 million for North Korea in June.

Japan, which provided 500,000 tons of rice for North Korea last year, contributed $6 million to the pool of international relief aid to North Korea in that month. It also donated $500,000 to the first round of international appeals for assistance to North Korea.

South Korea joined the second round of international efforts to alleviate North Korea's food shortages by providing $3 million worth of aid, slightly easing its stance on assistance to North Korea.

The South Korean government also allowed private groups to send grain other than rice to North Korea.

Such moves, however, certainly cannot be regarded as signaling the launch of large-scale official aid to North Korea.

South Korean officials, while admitting the need for humanitarian aid to North Korea, have said North Korea will be able to endure the current hardship until harvest this fall without much assistance from the outside world.

Recent reports by international food aid experts allowed to visit the country also suggest that North Korea does not now face the severe famine which appeared forthcoming a few months ago.

Experts here estimate North Korea has been running at an annual food shortage of about 1 million tons in recent years.

A new shipment of U.S. emergency food aid to North Korea, channeled through the U.N. World Food Program, was set to arrive in North Korea by mid-August.

The North Korean leadership may feel somewhat relieved by China's recent decision to provide massive food and other types of economic aid.

China, which offered 100,000 tons of food aid to North Korea last month, soon after agreed to further supply 500,000 tons of grain, 1.3 million tons of crude oil and 2.5 million tons of coal annually over five years.

Seoul's reservations over food aid to North Korea have invited debates of its pros and cons among South Korean citizens.

While some charity groups are criticizing the government for turning a blind eye to starving North Koreans, most experts agree that the government policy is on the right track.

Yang Un-chol, an analyst at the Seoul-based Sejong Institute, says aid based on political and economic calculations should be distinguished from humanitarian assistance.

He insists South Korea provide rice aid for North Korea only after the North changes its hostile attitude toward the South.

Kwon Min-ung, director of a research Institute on North Korea, says the North Korean leadership is not sincere in making efforts to solve the food shortage as long as it refuses to hand out the rice stockpile for military use to starving civilians.

Agricultural experts here also note a structural approach should be taken in solving the North Korean food problem, which they say resulted from flooding, domestic economic mismanagement and the collapse of Communist economies in the world.

They indicate the need to provide farming technology and machinery as well as fertilizer for North Korea and to revamp the ineffective collective farm system in the North.

ROK: Hanchongnyon Students, Others Show up at Panmunjom

SK1408053396 Seoul KBS-1 Radio Network in Korean 0200 GMT 14 Aug 96

[FBIS Translated Text] Two National Federation of General Student Councils [Hanchongnyon] representatives, who illegally entered North Korea via a third country on 9 August, turned up at Panmunjom this morning and are attending a gathering.

Hanchongnyon representatives Yu Se-hong and To Chong-hwa, each majoring in dental medicine at Choson University and mechanical engineering at Yonsei University, showed up in front of Panmungak, on the north side of Panmunjom, at 0900 this morning, holding the flags of universities across the country, including those of Seoul National, Hanyang, and Chonnam Universities.

Some 750 North Korean members of the National Alliance of the Youth and Students for the Country's Reunification [Pomchonghangnyon] are attending the gathering with the two South Korean students at this hour.

At the gathering, Yu issued a statement demanding an end to the oppression against the on-going Pomchonghangnyon reunification festival in Seoul, and asserting that the incumbent South Korean regime is antinational and antireunification.

These Hanchongnyon representatives laid floral baskets to a Kim Il-song statue on arriving in Pyongyang, and held a press conference where they said that they would attend the reunification festival to be held in North Korea as representatives of the South side headquarters of Pomchonghangnyon if the Pomchonghangnyon meeting is not held in Seoul.

ROK: DPRK Reportedly Returns Novelist to PRC on 14 Aug

SK1508083796 Seoul KBS-1 Radio Network in Korean 0800 GMT 15 Aug 96 — State-run radio of the ROK

[Report by Beijing-based correspondent Pak Tae-sok]

[FBIS Translated Text] It was learned that novelist Kim Ha-ki, who has been confirmed to have entered North Korea after he went missing from Yanji in the PRC on 30 July, was repatriated to Chinese security authorities on 14 August.

According to a source at the ROK Embassy in Beijing, the embassy has obtained secret information that North Korea returned Kim Ha-ki to the security authorities at (Yongjong) in Jilin Province on 14 August. The source stated Kim Ha-ki is likely to be returned to the ROK after a one or two-day investigation by Chinese security authorities.

It appears the Chinese security authorities are investigating to see if Kim Ha-ki—who went missing after leaving Kumgangwon, a restaurant in Yanji under North Korean management, with an employee of the restaurant—voluntarily went to North Korea or was kidnapped.

ROK: Government Plans To 'Soon' Demand PRC Hand Over Novelist

SK1508111996 Seoul YONHAP in English 1114 GMT 15 Aug 96 — Semiofficial news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug.15 (YONHAP) — The South Korean Government will soon demand that China hand over novelist Kim Ha-ki to the South Korean Embassy in Beijing as Kim's custody was delivered to Chinese authorities from North Korea early Thursday, a Foreign Ministry official said.

The official, however, said that it will be inevitable for the Chinese authorities interrogate Kim because he violated China's law by illegally entering North Korea from northern China.

The official expected that China will fine Kim before handing him over to South Korea.

Novelist Kim also will be interrogated by South Korean authorities as soon as he arrives in Seoul because he violated the National Security Law and other laws which bans South Korean from entering North Korea without government permission.

Kim has been missing since late last month when he went to a North Korean restaurant in Yanji, Jilin Province, along with a few of his friends.

ROK Official Estimates North Korean Defectors at 2,000

SK1208011696 (Internet) The Joong-Ang Ilbo WWW in English 12 Aug 96

[FBIS Transcribed Text] The South Korean government is trying to come up with speedy counter-measures as the number of North Koreans escaping from the communist regime to 3rd countries soared recently to reach an estimated 2,000.

A government official said Friday, "North Korean defectors, currently tallied at about 2,000, are mostly concentrated in China and Russia but some of them are even escaping to Germany."

At last year's end, the South Korean government estimated that about 1,000 North Koreans escaped from the North and President Kim Yong-sam stated in March that there were 1,500 North Korean escapees out of whom about 700 wish to settle in the South.

ROK: DPRK Reportedly Possesses 5000 Tonnes of Chemical Weapons

SK1308121396 Seoul SEOUL SINMUN in Korean 12 Aug 96 p 2

[Report by Washington-based correspondent Na Yun-to]

[FBIS Translated Text] The latest issue of the British military magazine "Jane's Intelligence Review" reports that North Korea possesses 1,000 to 5,000 tonnes of chemical weapons, and has deployed them mainly in frontline units.

According to an article entitled "The Substructure Concerning North Korea's Development of Chemical Weapons" carried in the August issue of this magazine, North Korea has deployed chemical weapons with its 1st, 2d, 4th, and 5th Corps stationed in the frontline areas, and maintains the rest of its chemical weapons in special underground storage facilities in Maram and Chiha-ri in Anbyon County, Kangwon Province.

ROK: MNU Announces Attendees to Najin-Sonbong Investment Forum

SK1208084096 Seoul YONHAP in English 0809 GMT 12 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 12 (YONHAP) — A total of 49 South Koreans, including 24 businessmen, 33 economists, eight government officials and eight journalists, will attend the investment forum at the Najin-Sonbong Free Economic and Trade Zone in North Korea from Sept. 13-15, the National Unification Ministry [MNU] said Monday.

Those slated to attend the forum include representatives from four Korean economic organizations, including the Federation of Korean Industries and the Korean Federation of Small Businesses, as well as from the Korea Trade-Investment Promotion Agency (KOTRA) and the Korea Development Institute, ministry spokesman Kim Kyong-ung said.

KOTRA chose about 50 out of 150 firms who applied to send personnel to the forum, and then informed the ministry of its choices, Kim noted, adding that criteria for the selection process included the firm's suitability for inter-Korean economic projects.

ROK: EU Renews Complaint Over Slow Opening of ROK Car Market

SK1208060696 Seoul THE KOREA TIMES in English 12 Aug 96 p 8

[FBIS Transcribed Text] The European Union Commission, asserting that Korea's liberalization of the automobile market is occurring very slowly, renewed its position that it will subject the nation to the priority watch.

The EU Commission, in a recent report, made it clear that it will keep a close eye on the process of Korea's opening the automobile market, according to the Brussels office of the Korea Trade- Investment Promotion Agency (KOTRA) yesterday.

The commission also noted that it will continue to come up with new safety and environment-related regulations on imported cars to create a climate favorable to EU-manufactured automobiles.

In a report on the EU automobile industry, the commission cited the need for the EU to expand access to the Asian markets, especially Korea and Japan, according to the KOTRA office.

This is necessary for the EU to secure fair competition in the automobile industry, said the KOTRA office quoting the report.

ROK Involved in 4 of 51 Trade Disputes Since WTO's Birth

SK1208051996 Seoul THE KOREA TIMES in English 12 Aug 96 p 8

[FBIS Transcribed Text] Korea has been brought to the dispute settlement panel of the World Trade Organization (WTO) the third largest number of times, behind only the United States and Japan.

A total of 51 trade disputes have been filed with the WTO since its inauguration in January last year and Korea was involved in four of these — two brought by the United States and one each by Canada and the European Union (EU), according to the Korea Trade-Investment Promotion Agency (KOTRA).

The disputes with Korea that the United States brought to the WTO involved distribution periods of processed food and quarantine inspection of agricultural imports, the suit Canada filed concerned the distribution period for mineral water and the suit the EU filed alleged discrimination against EU telecommunication equipment makers hoping to supply to Korean communications firms.

The disputes on shelf-life of processed food and mineral water were solved through bilateral negotiations and the other two disputes are pending.

Meanwhile, the United States has been brought to the WTO in seven disputes, Japan in six disputes and the EU in four.

ROK: KTC Decides To Investigate Alleged Bicycle Dumping by PRC

SK1408064596 Seoul THE KOREA HERALD in English 14 Aug 96 p 8

[FBIS Transcribed Text] The Korean Trade Commission [KTC] decided yesterday to launch a probe into the possible damages inflicted on the domestic bicycle and parts industries by alleged dumping by Chinese and Taiwanese exporters.

Major domestic cycle makers, including Samcholli, Korex and Samgwang, and about 40 parts manufacturers filed a charge with the KTC on July 22.

According to the complaint, Korea's bicycle and parts industries have grown more than 10 percent a year to 123.3 billion won ($151.5 million) as of 1995. The market share of imported bicycles and parts sharply rose from 2.4 percent and 22.2 percent in 1993 to 14.9 percent and 33.4 percent, respectively.

In contrast with the soaring market shares of foreign makers, the number of domestic firms plummeted from 68 in 1992 to 44 as of May 30, 1996, as the surviving companies suffered from financial losses or curtailed production, the complaint said.

The domestic price of imported bicycles was 50,790 won on the average in 1993, 21 percent cheaper than local products' 64,300 won. The price gap even widened to 26.8 percent, standing at 55,500 won against 75,800 won last year, it said.

The domestic firms requested that the government, in order to stop further foreign dumping, slap punitive tariffs of 40 percent on the imports, instead of the present 8 percent.

KTC also decided to start investigations into Swiss-made industrial air-handling units as their domestic market share has jumped from 59 percent to 78 percent within a year, for which a domestic maker alleges price dumping, commission officials said.

The trade watchdog will conduct probes for four months on the bicycles and a three-month preliminary survey on the air-handling machines, they said. If it proves that domestic industries have been harmed, it will take punitive steps, including the imposition of higher import duties, in cooperation with related government agencies.

Later in the day, KTC held a public hearing on the alleged dumping by U.S. ethanolamine and on the resultant injuries on the domestic industry, with the attendance of all parties concerned.

Korea Polyol Co., the complainant, maintained that its production has fallen, capacity utilization rate reduced, and losses accumulated because of dumping by the Union Carbide Co. and other U.S. exporters.

The U.S. exporters, on the other hand, said that the Korean companies' losses were due to excessive investments, high purchasing prices for raw materials and to exporting at below production costs.

KTC, which slapped preliminary antidumping duties between 6.47 percent and 44.5 percent on the foreign exporters, is scheduled to make a final ruling early next month, the officials said.

ROK: IMF Mission 'Puzzled' by Allegation of 'Economic Crisis'

SK1408050796 Seoul THE KOREA TIMES in English 14 Aug 96 p 9

[By staff reporter Yi Chang-sop]

[FBIS Transcribed Text] A four-member International Monetary Fund (IMF) mission, now visiting Seoul for annual consultation with Korean government officials, was puzzled by the allegation over "an economic crisis" in Korea.

Officials who met the mission members, said they were curious over the sacking of Deputy Premier and Finance-Economy Minister Na Ung-pae due to the alleged economic crisis here.

The mission was said to have taken the position that an economy with an annual GDP growth rate of 7 percent and inflation rate of less than 5 percent is not in a crisis.

Over an escalating internal worry over the widening deficit in the current account, mission members were said to have expressed the view that the shortfall in the broadest measure of trade in goods and services is manageable as long as the deficit is less than 2 percent of the gross domestic product. Thus the mission indicated that a deficit of about 20 billion dollars is not a threat to the Korean economy, according to the officials. However, Seoul officials said that a continued accumulation of deficit will weaken the nation's potential growth rate and erode international confidence in the Korean economy, thus making it difficult and expensive for local firms and banks to borrow overseas.

The mission was said to have opined that what is important in gauging the health of a nation's economy is the trend in the overall account, which combines the current account and capital account. Korea maintains a surplus in the overall account because capital inflow offsets deficits in the current account.

The IMF mission indicated that despite a surplus in the overall account, the Korean currency has been losing strength in recent months.

ROK: Min Rip Designated First Director of ADB Japanese Office

SK1208004896 (Internet) The Joong-Ang Ilbo WWW in English 12 Aug 96

[FBIS Transcribed Text] Min Rip, current financial vice-manager at the Asia Development Bank (ADB), was designated as the first director of its representative office in Japan which will open in Tokyo sometime in mid-August. Director Min, who originally worked for the Bank of Korea (BOK), left BOK to work for ADB in 1979. ADB's representative office in Japan will concentrate on providing financial assistance to Asian member nations of the Organization of Economic Cooperation Fund (OECF) as well as to Japanese banks.

ROK, Japan Hold Discussions in Tokyo on Zoning of EEZs

SK1308120596 Seoul YONHAP in English 1127 GMT 13 Aug 96

[FBIS Transcribed Text] Tokyo, Aug. 13 (YONHAP) — South Korea and Japan on Tuesday reaffirmed that their Exclusive Economic Zones (EEZ) would be zoned in an agreement based on the UN Convention on the Law of Sea.

The reaffirmation came at the first Korea-Japan EEZ meeting held at the Japanese Foreign Ministry.

The Korean Embassy here said that at the meeting the two countries exchanged opinions on their respective basic stands on the zoning of EEZs, discussing the method of future negotiations.

The two sides agreed to hold the next EEZ meeting in Seoul in the near future. The time of the Seoul meeting will be determined through a diplomatic channel.

Korea was represented at the meeting by Kim Ha-chong, Foreign Ministry's director-general for Asian and Pacific affairs, and Japan by Ryozo Kato, Foreign Ministry director-general for Asian affairs.

ROK Rejects Japan's Suggestions on Zoning of EEZ's

SK1408053496 Seoul THE KOREA TIMES in English 14 Aug 96 p 2

[By staff reporter Son Ke-yong]

[FBIS Transcribed Text] Korean and Japanese officials yesterday held their first meeting on setting maritime boundaries for the two countries' 200-mile exclusive economic zones (EEZs), with Korean officials asserting that Japan's suggestion that Korea's easternmost island, Tok-to, be the starting point of its EEZ baseline as unacceptable.

In the bilateral talks held in Tokyo, Kim Ha-chung, director general of the Foreign Ministry's Asian and Pacific Affairs Bureau, led the Korean delegation while the Japanese team was headed by his counterpart Ryojo Kato.

Japan, which has also claimed sovereignty over Tok-to, suggested two major options in connection with the EEZ negotiations. One is that its EEZ baseline start from the islets and the other is that Korea and Japan should designate joint administrative zones in disputed waters.

Both suggestions were ruled out by Korean officials as Korea has historically controlled the island and continues to exert control over it now.

Korean officials, citing regulations of the U.N. Convention on the Law of the Sea, said that as it is impossible to guarantee independent human habitation on the islets, Tok-to cannot be internationally recognized as an EEZ baseline.

The convention's Article 121 reads "Rocks which cannot sustain human habitation or economic life of their own shall have no exclusive economic zone or continental shelf."

Originally, Korea had sought to draw a boundary lying equidistant between Korea's Ulnung-to and Japan's Oki islands. This, if accepted, would have automatically included Tok-to in Korea's EEZ. Independent human habitation is possible on the two islands and Tok-to is located much closer to Ulnung-to than to the Oki islands.

The Korean officials also rejected their counterparts' suggestion that a joint administrative zone should be introduced in disputed waters, because waters around Tok-to are already under Korea's jurisdiction.

Besides Tok-to, other issues are expected to make it difficult to draw the EEZ boundary as long sections of their coastlines are less than 400 nautical miles apart.

The Seoul-Tokyo talks will be affected by another series of bilateral talks between Japan and China, slated for late this month.

"It will take a few years to settle the EEZ issues because Korea, Japan and China are involved in the talks and such thorny issues as Tok-to and the Senkaku islands will hamper an early conclusion of bilateral negotiations," an official said.

The two countries ended the one-day talks after agreeing to set itineraries for the next round through diplomatic channels.

Earlier, Seoul and Tokyo made no progress in two days of fishing talks in Seoul, showing differences on how to approach the fishing and EEZ issues. Although Japan wants an early settlement of the fishing talks, Seoul seeks a simultaneous solution to both sets of negotiations.

In June, President Kim Yong-sam and Prime Minister Ryutaro Hashimo agreed in principle to hold the EEZ talks at a summit meeting in Cheju-to.

At that time, the two leaders shared an understanding that the EEZ boundaries will not be taken to constitute the two countries' maritime borderlines in an apparent effort not to ruin the atmosphere for bilateral talks due to territorial disputes over Tok-to.

ROK Plans To Import $150 Million Worth of Russian Weapons

SK1208033196 (Internet) The Digital Chosun Ilbo WWW in English 1145 GMT 11 Aug 96

[FBIS Transcribed Text] The Ministry of National Defense disclosed a plan on Sunday to import $150 million worth of Russian military equipment, including T-80U tanks and portable anti-air missiles. This is a form of repayment for the $1.47 billion economic assistance loan our government gave to Russia, which was scheduled to be imported at the beginning the end of last month.

The weapons to be imported from Russia include 1 battalion of T- 80U tanks (30 units), 1 battalion of BMP3 infantry fighting vehicles, several hundred sets of the portable anti-air missile IGLA, and several hundred sets of the portable anti-tank missile METIS-M. The Ministry said that in order to prepare for the import of the weapons, 30 personnel were sent to Russia for instruction on the operation of the equipment. For subsequent logistical support, a Russian company will open in Seoul.

ROK: Russia Said Displeased Over Refusal of Gas Plan

SK1408063296 Seoul THE KOREA TIMES in English 14 Aug 96 p 8

[FBIS Transcribed Text] The government's rejection of a plan by the Hanbo Group to explore gas reserves in Russia is threatening to turn into a diplomatic issue with Moscow voicing displeasure over the decision .

According to informed government sources, a top Russian economic official recently delivered a letter addressed to the finance and economy minister, which showed strong dissatisfaction over the rejection of the proposal.

The letter was handed to Hyon Chong-taek, director general of the ministry's international economic policy bureau during his recent trip to Russia to discuss the reimbursement of a loan extended to Moscow by Seoul.

Under the Hanbo proposal, it was to invest 25 million dollars for acquiring 27.5 percent of Russia Petroleum which specializes in tapping gas reserves in Irkutsk and Saha.

The money was to have been wired Aug. 7, but Hanbo asked that the deadline be postponed until the end of the month to allow time for Hanbo to seek authorization from the government.

The Seoul government had rejected the proposal on grounds that a consortium, headed by the Korea Gas Corporation, is already engaged in the project and that the Hanbo plan is a duplicate of the existing plan.

In the letter, the Russian official said that should the Korean government fail to satisfactorily conclude the issue by the end of the month, Moscow will seek another partner from a third country.

Sources at the Ministry of Finance and Economy, however, said that the letter contains comments on the gas exploration project but not to the extent that it will have diplomatic implications.

They said that there are many other issues of mutual concern, including the construction of a Korea-Russia trade center in Moscow.

Meanwhile, MOTIE [Ministry of Trade, Industry, and Energy] officials said that a delegation is currently visiting Russia to look into the details of the Irkutsk gas exploration project and that a final decision will be made after it returns today.

ROK: Daewoo, Uzbekistan Sign Telecommunications Contract

SK1308054096 Seoul YONHAP in English 0655 GMT 13 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 13 (YONHAP) — The Daewoo Group of South Korea has won a communications contract worth 2.5 billion U.S. dollars from Uzbekistan, which is the single, largest project a Korean communications company has ever obtained, a company spokesman announced Tuesday.

Daewoo and the Uzbek Ministry of Telecommunications concluded the landmark contract Monday [12 August] in Tashkent to kick off the GSM (global system for mobile communications) cellular phone service, capable of accommodating 300,000 subscribers in 14 states, paging service, capable of accepting 500,000 clients, and to drive a basic telephone project, which shifts the current 140,000-circuit analog network to a 3-million-line digital one in the states of Andijan and Fergana [spelling as received], the spokesman explained.

The contract was made possible by a July 19 agreement between visiting group Chairman Kim U-chung and Uzbek President Islam Karimov regarding Daewoo's active participation in the privatization and modernization of the Uzbek communication industry.

And because only 6.7 percent of the 27 million citizens of the central Asian nation have telephones, the spokesman added, the growth potential for the country's communications market is substantial.

ROK: Kim Yong-sam, Sri Lankan President Hold Summit Meeting

SK1208032696 Seoul YONHAP in English 0234 GMT 12 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 12 (YONHAP) — President Kim Yong-sam held a summit meeting at Chongwadae [presidential offices] Monday with his Sri Lankan counterpart Chandrika Bandaranaike Kumaratunga and exchanged views on topics of common interest and discussed ways to increase bilateral cooperative relations.

Expressing satisfaction about the rapid growth in bilateral trade, President Kim voiced his hope that South Korea will be able to contribute to the economic development of Sri Lanka.

Kim asked for the Sri Lankan Government's active cooperation so that South Korean businesses can participate in Sri Lanka's infrastructure projects including telecommunications, electricity generation, steel and road construction.

President Kim also extended gratitude to the Colombo Government's active cooperation last year regarding South Korea's admission to the United Nations Security Council as a non-permanent member.

For her part, Kumaratunga asked for South Korean Government's continued assistance for the economic development of her country.

Expressing keen interest and understanding on the Seoul government's efforts for peaceful Korean reunification, Kumaratunga said the Korean peninsula issue must be resolved in a peaceful manner.

After the summit, both leaders attended a ceremony at Chongwadae for the signing of loans from Korea's Economic Development Cooperation Fund (EDCF) between foreign ministers of the two countries.

The visiting Sri Lankan leader is to attend a state dinner at Chongwadae Monday evening hosted by President Kim.

ROK: President Sends Condolences on Floods to Spanish King

SK1008084996 Seoul YONHAP in English
0831 GMT 10 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 10 (YONHAP) — President Kim Yong-sam cabled to Spanish King Juan Carlos a telegram Saturday over the recent flash floods in northern Spain that caused many deaths.

"On behalf of the Republic of Korea people and government, I convey to your highness and the bereaved families of the victims sincere consolation and deep condolences," Kim said in the cable.

Kim also expressed the hope that damage caused by the floods will be quickly cleaned up and rebuilt.

ROK: Dong-Ah Construction Nears Completion of Libyan Project

SK1208052496 Seoul THE KOREA HERALD
in English 12 Aug 96 p 8

[FBIS Transcribed Text] Dong Ah Construction and Industrial Co. has completed preparations to pass the first water through a pipeline stretching from a well field in the Sahara Desert to Tripoli under the second-phase of Libya's Great Man-Made River Project, a company spokesman said yesterday.

The ceremony, scheduled for the end of this month, virtually marks the completion of the second phase of the $6.2 billion project which is officially to be completed in 1998. For the next two years, Dong Ah will undertake repair and maintenance works.

The huge man-made waterway project is part of Libya's 'Green Revolution' program, aimed at turning the wasteland of the Sahara Desert into arable land.

Following the $3.7 billion first phase of the project, which Dong Ah completed in 1991, it won a bid for the second phase in 1990.

The first phase of the project called for conveying vast underground water resources beneath the southeast desert of Libya north to the Mediterranean coastal belt through a combined 1,872 km length of concrete pipelines.

The second phase involved 1,100 km of pipeline, 4 meters in diameter, from Wadiaril to Jeffara near Tripoli, which will bring 2 million tons of water a day from three well fields, about 800 km South of the Libyan capital.

Meanwhile, the spokesam said that Dong Ah has additionally won a $76 million project to protect external cathodic of the 370 km section of the first phase work.

ROK: Trinidad, Tobago Parliamentary Speaker Arrives in Seoul

SK1408091196 Seoul YONHAP in English
0611 GMT 14 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 14 (YONHAP) — Parliamentary Speaker Hector McClean of the Republic of Trinidad and Tobago came to Seoul Wednesday for a five-day official visit to enhance bilateral cooperation, Foreign Ministry Spokesman So Tae-won said.

McClean will meet with his South Korean counterpart Kim Su-han and Foreign Minister Kong No-myong to discuss ways to enhance political and economic relations, So said.

McClean accompanied parliamentary members Harry Partap and Fitzgerald Hinds. Partap is concurrently labor minister.

The Foreign Ministry expects McClean's visit to help the country establish a foothold in the Caribbean region. Trinidad and Tobago is a core member of the 14-member Caribbean Community and the Association of the Caribbean States.

ROK: Hanchongnyon Stages 'Violent' Demonstration 12 Aug

SK1308034896 (Internet) The Digital Chosun Ilbo
WWW in English 1152 GMT 12 Aug 96

[FBIS Transcribed Text] 500 students belonging to the dissident Hanchongnyon organization Monday waged a violent demonstration in front of Yonsei University, Seoul, throwing stones and molotov cocktails as riot police attempting to contain the incident. 70 riot police and students were injured. Due to the demonstration neighboring roads were closed and traffic throughout Seoul was affected.

The demonstration ran for three hours and students eventually attempting to leave the campus en masse to wit police discharged pepper gas canisters.

A spokesman for Hanchongnyon, Pak Pyong-un, said that two students sent to North Korea with invitation cards will return to Panmunjom along with 300 representatives from North Korea and other countries on Tuesday 1 pm. A 100-strong welcoming party will be dispatched at that time.

The police obtained a warrant to search the student council building at Yonsei University last Thursday and since Friday they have been taking measures to prevent the unification grand festival planned by the group from going ahead by mobilizing 2,500 riot police around the University.

The National Security Planning Board [Agency for National Security Planning] has applied for arrest warrants in respect of the two students who visited Pyongyang on the suspicion of the violation of the National Security Law. The Board is ready to meet and detain the students upon their arrival at Panmunjom for investigation purposes.

ROK: Hanchongnyon Opens Unification Festival on 13 Aug

SK1408024296 Seoul YONHAP in English 0123 GMT 14 Aug 96

[FBIS Transcribed Excerpt] Seoul, Aug. 14 (YONHAP) Hanchongnyon, meanwhile, opened the unification festival on the Yonsei [University] campus at 12:30 AM Wednesday [1530 GMT 13 August], with approximately 2,000 students in attendance.

On Tuesday afternoon, some 5,000 students clashed with riot police on busy streets in Seoul because the streets leading to Yonsei university were closed off, and after the violent demonstrations they went to Hanyang, Konkuk, Dongkuk and Seoul Metropolitan Universities for overnight sit-ins. The demonstrations in Sinchon, Chongno 3-ka, and Hongje-dong were particularly violent and all traffic in these areas was brought to a standstill.

ROK: Police Seal Yonsei University Before Pomchonghangnyon Rally

SK1308053296 Seoul THE KOREA TIMES in English 13 Aug 96 p 3

[FBIS Transcribed Text] The police sealed up Yonsei University campus to prevent the holding of the "sixth unification festival of 'Pomchonghangnyon,' or National Alliance of Youth and Students for Unification," scheduled to be held from Aug. 13-15. The National Police Agency (NPA) deployed a total of 2,500 riot police troops from 20 companies around the university campus in Sinchon, western Seoul.

The police operation is aimed at preventing students of other universities and colleges from entering the campus.

Police were checking students one by one entering into or coming out of the university campus.

More than 1,000 students from across the nation have been staying on the campus preparing for the annual unauthorized assembly, orga- nized by the South's Pomchonghangnyon and 'Hanchongnyon,' or the Korea Federation of University Student Councils.

Some 500 of them staged violent demonstrations yesterday morning in front of the university gate in protest against the police action, hurling about 600 firebombs.

Morning rush hour traffic was heavily congested for hours around the university campus.

However, Hanchongnyon, led by Chong Myong-ki of Choson University, said in a press conference that it would hold the festival today as scheduled despite the "police suppression."

ROK: Communique on 'Sternly' Punishing Violent Demonstrators

SK1408014696 (Internet) The Digital Chosun Ilbo WWW in English 1219 GMT 13 Aug 96

[FBIS Transcribed Text] The Ministries of Home Affairs, Justice and Education announced Tuesday in a joint communique that in order to protect the innocent and re-establish law and order and public authority it will mobilise all law enforcement capabilities and punish sternly not only the leaders of groups which engage in illegal violent demonstrations but the background forces.

The government also disclosed that it intends to eradicate illegal communications, such as telephone conferences and facsimile communications, between the South and North and will punish those involved.

The communique stated that the confronting of public authority by those involved in illegal demonstrations armed with molotov cocktails and steel pipes constitutes an illegal action of violent unparalleled elsewhere in the world and is anti-democratic and anti- constitutional. It confirmed that the government will mobilise all enforcement capabilities to discover not only the identities of the radical group Hanchongnyon but those of its backroom conspirators and strongly punish them.

ROK Editorial Questions Policy, Criticizes Student Activism

SK1408032396 (Internet) The Digital Chosun Ilbo WWW in English 1214 GMT 13 Aug 96

[Editorial: "The Real Significance of the Sinchon Incident"]

[FBIS Transcribed Text] The Pomminnyon is an organization constituted jointly by South, North and overseas organizations sympathetic with the front unification strategy of the North Korean Labour Party [Workers Party] and the sentiment of self-reliance propounded by the former North leader, Kim Il-song. The youth front of this group is the Pomchonghangnyon and its South headquarters is run by the Hanchongnyon. Today one commonly witnesses such North-friendly jointly organised radical groups take on South public authority one-on-one without sanctions being applied begging us to query whether the National Security Law has in fact been repealed.

It is debatable whether the country is really acting in a way that is to be expected of it. What on earth is going on when the authorities, when incidents arise where groups which are one and the same as "The People's Republic of Korea" beckon and demonstrate the trampling on law and order and threaten to fight us with steel pipes and fists, can do no more than divert traffic.

The North-friendly groups organised within our society are not small fish, rather they are constituted as large-scale public groups. The campaigns carried out by these groups under the banner of "quasi-legal" struggle and the struggle towards the "neutralization of the law" are indicative of a strategy designed to bring about a state of anomie while at the same time profiting from the fact that no one knows the direction in which public authority is heading due to ignorance of the masses. Our public authority has actually arrived at the state where North-friendly groups such as the Hanchongnyon and the Pomchonghangnyon South headquarters have the audacity to demand to be informed of the criminality on the part of the Pomminnyon which they protest is merely "examining the state of the law" at the same time failing to publicly reveal the real nature of their constitution and objectives. Nevertheless the existence of offensive measures of these joint North-partnership sympathetic groups has already become an "established fact" of this society.

The offensive tactics on the part of these pro-North power groups are slowing starting to reap success. The public authorities merely use physical force to surround the groups' campaigning members in a cursory attempt to thwart their activities however they do not apply any of the fundamental sanctions enshrined in the law. In addition, the intellectual community is silent and the politicians take no interest. Moreover, many of the people are not fully aware of the real essence and danger associated with the incidents that have been taking place. Such a black hole in the nation's attention to these matters provides a rich golden fishing spot in which to effect Bolshevik strategies.

The current incident is not an example of an "initiative on the part of the South towards bringing about reunification" nor is it a student campaign or merely a simple demonstration. It is meaningless at this point in time to try to mildly pacify the Hanchongnyon or scold it with a view to steering it in the right direction. These groups contain criminals with conviction who are comrades of the North and will go to any lengths to walk away from our nation and crush its authority. The crux of the matter is that the government and public authorities ought to be firmly chastised for attempting to counter the large-scale offensives of these groups with small pebbles. We have a right to ask the government and authorities whether any law remains in this country as we witness hundreds of pro-North, South and overseas radicals yell out "seize me and kill me" as they assert their offensive campaigns in the streets using physical force in stark defiance of the law in front of Yonsei University which is located in the Sinchon area, itself which has become a lawless wasteland.

ROK: Senior Citizens Urge Halt to Violent Student Demonstrations

SK1408091396 Seoul YONHAP in English 0618 GMT 14 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 14 (YONHAP) — Amid increasing concerns about illegal and violent street demonstrations by student activists, a group of senior citizens on Wednesday lashed out at Hanchongnyon, or the alliance of Korean University Student Councils, for the violent demonstrations it stages in support of the so-called unification festival of Pomchonghangnyon, the National Alliance of Youths and States [as received] for the Fatherland's Unification.

In a press conference held at the Korea Press Center at 4:00 PM [0900 GMT] Wednesday, the conference for worrying about the nation issued a statement calling for an immediate halt to "the illegal and violent" student demonstrations.

With a sentimental view of unification and an anachronistic ideology, the foundation for a democratic and peaceful unification of the nation can never be laid, it said and added, "We cannot help worrying about the consequences of the illegal and violent demonstrations taking place on many campuses."

It then warned, "The illegal demonstrations by students are by no means what most people want but are tantamount to following the North's unification strategy for communizing the South."

All illegal and violent demonstrations in support of a rash unification must be brought to an end immediately, it stressed.

It then demanded that an inter-Korean Red Cross meeting be held immediately to ease the pains of the 10 million family members who have been separated by the Demilitarized Zone over the past century.

Among the senior citizens who attended the press conference were President Kang Yong-hun of Korean National Red Cross, former National Assembly Vice Speaker Ko Hung-mun, Chairman Kim Mong-un of the Korean Religious Conference for Peace, former Anglican Church Bishop Kim Song-su, former Deputy Prime Minister Yi Han-bin and Administrative Director Song Wol-chu of the Chogye Order of Buddhism.

ROK: Police, Helicopters Mobilized Against Student Demonstrators

SK1508050296 Seoul YONHAP in English
0455 GMT 15 Aug 96
— Semiofficial news agency of the ROK

[FBIS Transcribed Text] Seoul, Aug. 15 (YONHAP) — Riot police stormed again into Yonsei University Thursday morning to disperse student activists, to prevent Pomchonghangnyon or the National Alliance of Youth and Students for the Fatherland's Unification from holding a "unification festival."

More than than 6,000 riot police were mobilized for the operation and 12 police helicopters dropped tear liquid and tear gas canisters.

Before forcing their way onto the campus at 10:40 AM, the police asked the students to disperse voluntarily from the helicopters that began to hover over the university at 10:10 AM.

About 4,500 students gathered at the campus preparing for a rally for South, North and overseas Korean students that was scheduled to begin at noon.

Some 300 students countered the police wielding metal pipes and throwing molotov cocktails and stones. The students barricaded themselves with chairs and used tires while confronting with the police.

ROK: President Addresses Liberation Day Ceremony

SK1508064096 Seoul KBS-1 Television Network
in Korean 0116 GMT 15 Aug 96
— State-run television of the ROK

["Congratulatory Speech" by ROK President Kim Yong-sam at ceremony marking the 51st anniversary of national liberation, held at the Sejong Cultural Hall in Seoul — live]

[FBIS Translated Text] Dear 70 million fellow countrymen at home and abroad, and guests who are here with us today:

Today, marking the 51st anniversary of the day we recovered our nation, we are gathered here to make a pledge for national reunification and glory.

Watching this scene, our fellow countrymen are overflowing with the deep emotion we cherished when we were freed from the oppressive colonial rule and again touched the soil of our own land, when even the sea danced joyfully.

At the same time, we are filled with pride for our half century- long history, during which we created many things using our bare hands, with blood, sweat and tears.

We are overflowing with the hope and courage to glorify the upcoming 21st Century as the great era of the Korean people.

Whenever we mark this anniversary, we come again to keenly realize the preciousness of the nation. Because there is the nation, we can enjoy prosperity and can advance into the world and the future.

I first pay my respects to the patriotic martyrs who dedicated their lives to lay a firm foundation for the nation. I also thank our great people, who played the leading role in making the free prosperous nation.

Dear fellow countrymen, we dashed along the road of building the nation for the past half century by overcoming the yoke of division and devastation from the war.

Although merciless adversities blocked our advance, we finally made today's nation with an invincible will.

Korea, which started as a poorest state on the earth, has now become a nation that ranks 11th in economic power and that has a national income of $10,000.

Democracy, which all of us obtained through struggle, made our people genuine masters of the nation, and turned our fatherland into a splendid country of the world.

Democracy also enabled our people to establish the legitimacy of national history by setting history straight and to promote a sense of national self-respect.

Our nation has changed from a country that merely received help from others into a nation that gives aid to other people. This is also our worth.

We also again reconfirmed the nation's potential energy during the Atlanta Olympics 10 days ago. Such an enhanced position of our nation is indeed unprecedented.

The dream of our patriotic martyrs to seek an independent state with peace and prosperity is now being realized. You, the people, created Korea's legend for the past half century.

Dear 70 million fellow countrymen, today, when the history of the second half century of national liberation is starting, we must resolve for a new start, looking forward to 100 years of national liberation.

We have an ardent wish. This is to accomplish our national liberation, which still remains unaccomplished, and to make it genuine liberation.

That is, to open with our own hands the great era of the Korean nation, which will highly rise in the center of the world as a top-class state.

To be an advanced nation which leads the world based on democracy and with prosperity; a civilized state where spiritual values and morality are respected, and a reunified country which contributes to the peace and prosperity of the world is the dream of all of us.

We can do this. We can achieve without fail the glory of the Korean people with the great might with which we created the legend of Korea.

Fellow countrymen at home and abroad: Today the greatest task of our people is to achieve peaceful reunification. This is the essential condition for accomplishing genuine national liberation.

The first step for peaceful reunification is for 70 million fellow countrymen to share the idea that they are one. We should think not only of the southern half of the Korean peninsula but also of the North and everywhere in the world.

Last year we unconditionally supported North Korea with enormous amounts of rice worth 170 billion won. This step was intended to remove the difficulties of North Korean compatriots.

Regrettably, however, our goodwill could not lead to reconciliation and cooperation between North and South Korea. This would have been an event with epoch-making significance in the long- range view of national history. The key factor in developing North- South relations and achieving peaceful reunification is peace and cooperation.

Peace and cooperation are the only key to overcoming the pain and tragedy of division and opening a wide avenue for reunification and prosperity. In this context, I make clear our position for peace on the Korean peninsula and for inter-Korean cooperation.

First, we want the stability of North Korea. It is not desirable that the difficulties which North Korea is now experiencing should lead to a situation affecting the stability of North Korea.

Second, we do not want the isolation of North Korea. We want North Korea to become a sound member of international community, to foster national ability with us, and to contribute to the world.

Third, we will not seek unilateral reunification. The issues of the Korean peninsula should be resolved by peaceful and realistic means, through free agreement between the North and the South.

Through North-South Agreement, North and South Korea have promised before the nation and the world to consolidate peace and exchange and cooperate with each other as the very parties concerned with the issue of the Korean peninsula.

The implementation of this promise should not be delayed any longer. Based on this basic spirit, I will lead North-South relations.

Dear 70 million fellow countrymen: The proposal for four-way talks I jointly made to North Korea with U.S. President Clinton last April was aimed at putting the spirit of peace and cooperation into practice.

The four-way talks can discuss a broad range of issues concerning relaxing tensions on the Korean peninsula and consolidating peace. At the talks, above all, the issue of building a peace regime will be discussed. The issue of military trust will be discussed. In addition, the issue of North-South economic cooperation can be discussed as a step to ease tension.

Availing myself of this opportunity, I would like to announce our plan on the problem of economic cooperation to be discussed in the four-way talks.

First the food problem. North Korea is having serious food shortages at present. In particular, because of the flood damage resulting from the intense torrential rain last month, the suffering of the North Korean residents is increasing. As fellow countrymen, we are very sorry about this. With this feeling of sympathy we have helped North Korea with compatriotic love, and will make efforts for international assistance as well.

However, the North Korean food shortages can never be solved by temporary assistance from the outside. We are prepared to contribute to solving the North Korean food problem in a more fundamental way.

First, we will be able to enhance North Korean agricultural productivity in various ways and rehabilitate flooded farm land using long-term loans.

At the same time, we are willing to invest in the Najin-Sonbong area, supply North Korea with the goods it needs by increasing inter-Korean trade, and allow ROK tourists to visit North Korea.

This economic exchange will be made mainly through civilian businesses. For the security of human and material exchanges, an agreement between the persons representing the authorities of the North and the South should be made a precondition.

I hope that more meaningful and practical economic cooperation will be promoted through dialogue on the principles of alleviating tensions and mutual benefit.

The North Korean economic problem can only be solved through genuine discussion and cooperation between North and South Korea. We have a stronger will and greater capability to help North Korea than anyone else. Therefore, if the four-way talks are realized, I believe North Korea will be able to promote political stability, military credibility, and economic credibility.

The countries of the world support the four-way talks, because the talks are the best way to achieve security, peace, and prosperity not only on the Korean peninsula, but in Northeast Asia and the world as a whole. I again urge the North Korean authorities to respond affirmatively to the four-way talks proposal, not only for their own sake, but for the future of the nation and Northeast Asia.

My dear fellow countrymen: Peaceful reunification has now emerged as a real task at hand. The destiny of our nation depends entirely on us. It is time for us to specifically prepare for reunification. Just as our desire for reunification is enthusiastic, so our steps for reunification should be prudent. Sentimental discussions of reunification and unilateral assertions are not helpful in resolving North-South relations.

I will resolutely deal with the forces who are challenging liberal democracy, which is the foundation of our existence, and who are attempting to overthrow its system. [applause]

The security of the nation should be firmly maintained. As the supreme commander of our Armed Forces, I will firmly defend the nation and the people with a strong defense power. [applause]

The ROK-U.S. joint defense posture and cooperative system are more solid and firm than ever before. National unity is important more than anything else for achieving a reunified fatherland. For this, we first achieve unity between regions, between classes, and between generations.

Our politics should now be turned into politics that gather the people's might through unity and harmony, instead of being a power struggle between regions and factions. We should now develop our politics into specialized politics capable of managing the nation with a clear vision of the future and into globalized politics capable of managing the entire world.

Our economy should also effect a new upsurge so as to equally satisfy the demands of all of our 70 million fellow countrymen.

We should foster the scale of our economy to be $1 trillion and raise the scale of trade to the $500-billion level by the beginning of the next century.

I am well aware of people's recent worries about our economy. The government is making every effort to reinvigorate the vitality of our economy.

I earnestly ask you, the people, to actively cooperate in enriching people's lives and revitalizing the economy through frugal lifestyles and conservation.

We should see to it that justice and reasonableness take root in our society by persistently implementing reform and changes. By further accelerating globalization efforts, we should enhance all domains to a global level.

If all people make unanimous efforts, our reunification forces will be doubled and the reunified fatherland will come closer before us.

Dear 70 million fellow countrymen at home and abroad, the new world is unfolding before us. The 21st Century is drawing near, when our people, standing at the center of the world, take the initiative in leading mankind's prosperity and world peace.

Let us all advance together, shoulder to shoulder, for genuine national liberation.

Let us achieve national reunification by the hands of our generation.

Let us make Korea a top-level state that the world will look up to.

Let us create the great era of the Korean people so that we can hand the glory of the Korean people, which our patriotic martyrs ardently sought, to our offspring. Thank you much. [applause]

ROK: Premier on New Guideline on 'Disgraceful' ROK Tourists

SK1408044496 (Internet) The Digital Chosun Ilbo WWW in English 1221 GMT 13 Aug 96

[FBIS Transcribed Text] Prime Minister Yi Su-song Tuesday ordered relevant government agencies to confiscate or impose restrictions upon the issue of passports of those Korean tourists who engage in disgraceful conduct overseas. Yi promulgated a Guideline for the Strengthening of Sanctions on Tourists Who Commit Infamous Conduct Damaging the Good Name of the Nation. Under the guideline, whenever a tourist damages the national image of the country abroad, administrative sanctions will be applied and if they do not respond an order for the return of the tourist's passport will be made. In this connection the Passport Law will be amended accordingly.

Under the guideline, the names of those tourists who violate the laws of visiting countries or make trouble overseas will be added to a black list and special controls at passport control points will be effected. Travel agencies who permit tourist to act unseemly will be closed down.

Customs controls will also be strengthened to detect those who overspend or enjoy excessively luxurious travel. Administrative sanctions and tax searches will be implemented in this regard.

ROK: Foreign Ministry Distributes 1996 White Paper

SK1408044596 Seoul YONHAP in English 0216 GMT 14 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 14 (YONHAP) — The Foreign Ministry will soon put its white paper on the Internet and other computer communications networks to help people gain easy access to information on the nation's diplomatic policies, Foreign Ministry Spokesman So Tae-won said Wednesday.

The ministry will also distribute more than 1,700 copies of its 1996 white paper to government agencies, foreign missions in Seoul, news organizations, colleges, libraries and research institutes.

The ministry released the 1996 White Paper to the press Wednesday. It contains information on the country's diplomatic activities and an assessment of international politics with an emphasis on North Korea's food shortage and the nuclear issue.

ROK: Foreign Ministry White Book Views Emigration Situation

SK1408042596 Seoul YONHAP in English 0211 GMT 14 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 14 (YONHAP) — Slightly more than 800,000 South Koreans have emigrated to foreign countries since 1962 when an emigration law was first introduced in South Korea, bringing the total to about 5.2 million ethnic Koreans living overseas, a Foreign Ministry white book said.

According to the Foreign Ministry white book for 1996 released Wednesday, China has the most ethnic Koreans with 1,940,398, followed by the United States with 1,801,684, Japan with 696,811 and the Commonwealth of Independent States (CIS) with 461,145.

Caribbean and Latin American states have 90,034 ethnic Koreans, Canada 73,032, Germany 29,202, Middle East Asian states 9,356 and African states 3,316.

The white paper said that the number of South Korean emigrants continued to decrease to 15,917 in 1995 from the peak of 37,510 in 1980, suggesting that the country's economic development has offset motives for emigration.

The total number of emigrants last year can be broken down into 8,535 to the United States, 3,612 to New Zealand, 3,289 to Canada and 417 to Australia.

Job openings were the motive of emigration for 6,573, family reunion for 5,695, business opportunities for 2,492 and marriage for 438.

The paper showed that the number of emigrants seeking jobs and business opportunities increased dramatically to 9,065 in 1995 from 4,622 from 1990 while the number of emigrants wanting to reunite with their family gradually decreasing.

In 1995, meanwhile, 7,057 emigrants returned to the country.

The number of the returning emigrants peaked at 8,892 in 1992.

The number increased gradually from 1,049 in 1980, 2,584 in 1986 and 6,685 in 1989 to 8,892 in 1992.

The 7,057 returning emigrants breaks down into 4,610 from the United States, 396 from Canada, 337 from Argentina, 124 from Australia and 1,590 from the other countries.

The paper explained that the majority of the returning emigrants were those who left the country to reunite with their families, while those who departed the country to seek business opportunities and new jobs successfully adapted themselves to their host countries.

ROK: President Kim Yong-sam Names New Vice Ministers

SK1308022896 Seoul YONHAP in English 0131 GMT 13 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 13 (YONHAP) — President Kim Yong-sam on Tuesday appointed Bank Supervision Office Chairman Kim Yong-chin director of the Administrative Coordination Office at the Prime Minister's Office.

Former Senior Presidential Protocol Secretary Kim Sok-u was named vice national unification minister in a vice minister-level reshuffle conducted by the president.

Vice Minister of Science and Technology Yim Chang-yol was named vice minister of the newly-created Maritime Affairs and Fisheries Ministry. Yim's former post was filled by Yi Pu-sik, former chief of the Maritime and Port Administration.

Kim Hong-tae, the legislative coordinator office chief at the Legislation Ministry, was promoted to the the ministry's vice minister, while Kim Yun-chu, a retired Air Force major general, was named the vice chairman of the Emergency Planning Committee.

Deputy Commissioner Cho Song-pin of the National Police Administration was appointed maritime police administrator. Cho's post was filled by Maritime Police Administrator Yu Sang-sik.

President Kim also named former Science and Technology Vice Minister Han Yong-song as the ministerial-level chairman of the State Science and Technology Advisory Council.

ROK Regime's Move To Parole Ex-Government Officials Criticized

SK1408051596 (Internet) The Digital Chosun Ilbo WWW in English 1213 GMT 13 Aug 96

[Editorial: "Misguided Leniency"]

[FBIS Transcribed Text] The foreshadowed granting of pardons this coming August 15 are untenable. In a phrase, these pardons wreak of "misdirected leniency". The 11 people who are set to be granted absolution for their sins were all convicted of criminal wrongdoing. Their crimes were not ordinary crimes. They include participation in the infamous "Yulgok" national defence enhancement program scandal, dishonorable acts on the part of by military personnel and complicity in the slot-machines scam, all of which constitute large-scale incidences of corruption and injustice which took place while Korea was undergoing its initial stages of justice enforcement and general reform.

Releasing prisoners from jail is for them personally a very propitious and benevolent act. However appropriate standards and justification ought to apply in respect of the pardoning process especially in connection with infamous acts on the part of the government. Notwithstanding, not only is the government proposing to release the convicted felons without providing any public explanation to their background, it intends to fully restore their public rights. One would have thought that the government owed us some explanation in circumstances where those due to be pardoned all received substantial sums by way of bribes in connection with national projects. Even the Ministry of Justice evades comment on the stark pretense that ruling administrators have every right to act as they are such being coherent and in line with their public authority.

Two significant questions arise in connection with this year's pardon roll. The first is why it is necessary at this particular point in time to grant the pardons in such a way, and the second is whether, by doing so the government is, effectively, tacitly assenting to the commission of wrongdoing on the part of public officials. It may be posited that President Kim feels it necessary to issue the pardons prior to the end of his term in office as the list of candidates include those who may be regarded as having had an existence symbolic of the reform drive of the current government. However, on the contrary, if it is possible to exonerate those whose names are synonymous with reform but committed wrongdoing on a grand scale then the murky question remains, namely what did the execution of justice and the reform process really stand for during that time. If the precedent is set whereby high-ranking public officials can take bribes in the sums of hundreds of million won and then, by spending 2-3 years behind bars, acquire full exoneration and effective absolution of their former heinous acts then there is the possibility of serious adverse affect to be inflicted upon public society. This is our very fear.

ROK: Former Officials Released in Amnesty 'Must Pay Fines'

SK1408091796 Seoul YONHAP in English
0621 GMT 14 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 14 (YONHAP) — Several former senior government officials convicted on bribery charges, who have been pardoned and had their civil rights reinstated under a special amnesty granted to mark Aug. 15 Liberation Day, must pay fines according to their sentence.

"Since additional fines are not included in the scope of the special amnesty, if the people involved fail to pay their financial obligations at an early date, it would become necessary to seize their real estate and assets," a prosecutor said Wednesday.

Kim Chong-hwi, former national security advisor to former President No Tae-u, was sentenced to forfeit 230 million won last February, former Finance Minister Yi Yong-man 140 million won last May, and former Labor Minister Yi Hyong-ku 335 million won last December.

When those convicted in the slot machine bribery case were pardoned under a special amnesty on liberation day last year, they reportedly paid most of their fines prior to being released from prison.

"Unlike last year, forfeits have yet to be collected from persons involved," the official said.

"An internal investigation has revealed that most of them possess enough property to pay the additional fines," the official added.

ROK: Court Delays Decisions on Chon, No Cases Until 26 Aug

SK1408043596 Seoul YONHAP in English
0228 GMT 14 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 14 (YONHAP) — The Seoul District Court's Criminal Panel No. 30, trying former Presidents Chon Tu-hwan and No Tae-u and their followers on mutiny, treason and bribery charges under Judge Kim Yong-il's presidency, announced Wednesday that it would render its decisions on the cases Aug. 26, a week later than the earlier-announced date of Aug. 19.

The postponement was necessitated by a delay caused in preparing the decisions, the announcement said.

ROK Daily on New Vice Premier's Price Stabilization Position

SK1208034896 (Internet) The Digital Chosun Ilbo WWW in English 1142 GMT 11 Aug 96

[Editorial: "The Importance of Commodity Prices"]

[FBIS Transcribed Text] It is noteworthy that newly appointed economic vice-prime minister Han Sung-su's said objective in his new position is the price stabilization of indicators affecting ordinary people's lives. Integral and key to his objective is the stabilization of commodity prices. At the beginning of the year, the new economic team set an ambitious goal of stabilizing commodity prices below 4.5% until the end of this year. At the end of last month, however, commodity prices had already risen to 4.2% and public utility fees for transportation and water are expected to increase in the near future, raising further doubts and concerns over commodity price stabilization.

More serious is the so-called actual life price index. Maybe the government's price index can be controlled near the targeted level, but price of the basic necessities and services which directly affects people's lives are not easily controlled. In fact, public utilities fees, private service rates, and agricultural and fishery products led price hikes this year. Food prices are among the most expensive in the world and various private utilities and public service rates have been in competition with one another to raise their rates.

The new economic team found that the stabilization of prices is directly connected to an increase in savings. We cannot deny that the recent decrease in savings behavior and overspending on luxuries are due to insecure commodity prices and the system of comprehensive taxation on financial income. If inflation psychology is expanded, it will prove to be even more difficult to increase savings through price stabilization. Strengthening our economy is the way to stabilize people's lives. In this endeavor, we sincerely hope the efforts made by the new economic team will result in success.

ROK: PC Communications Sector Said Booming Amidst Downturn

SK1408041896 (Internet) The Digital Chosun Ilbo WWW in English 1218 GMT 13 Aug 96

[FBIS Transcribed Text] In a period of economic downturn, the PC communication sector enjoys a period of great boom.

Nowcom, one such provider, had been trading in the red for the two years since it was formed but suddenly recorded a trading surplus for the first time in May. Nowcom, which had only 60,000 subscribers at the end of 1995, had set a subscriber target of 250,000 by the end of this year but by the end of July had already achieved 230,000 subscribers. Hence Nowcom revised it subscriber target to 400,000 by year-end.

Chollian, which had 490,000 subscribers at the end of the first half, also increased its year-end target from 530,000 to 630,00 subscribers.

Hitel, too, said that it will easily achieve 500,000 subscribers by the end of 1996.

The reason for the boom in subscribers to these PC services is that the subscriber base has spread from predominantly middle and high-school students to office workers in their 30s and housewives. Until recently, 70% of subscribers were members of the youth but of late, 50% of new subscribers are housewives and office workers.

ROK: Conglomerates Oppose Planned Revision of Fair Trade Act

SK1508003896 Seoul THE KOREA TIMES in English 15 Aug 96 p 9 — Daily English-language newspaper published by HANGUK ILBO

[FBIS Transcribed Text] Another round of showdown between the government and the big business groups appears to be escalating.

The Federation of Korean Industries (FKS) Tuesday issued a strong opposition against the planned revision of the Fair Trade Act envisaged by the Fair Trade Commission (FTC).

Chaebol [conglomerates] argue that the commission is moving against the trend toward deregulation and market-opening by strengthening rules aimed at "stifling" their business activities. They contend that the commission's move to ask 30 chaebol to eliminate cross-payment guarantee between their subsidiaries by the year 2001 is unconstitutional because it infringes upon the freedom to sign private contracts between banks and borrowers. But the government said phasing out the cross payment guarantee is necessary to ensure an independent operation of all subsidiaries linked to chaebol.

The FKI also took issue with the commission's plan to retain the right to nullify any corporate mergers deemed anti-competitive. The FKI said that it is an arbitrary practice running against the government's move toward making rules more transparent.

But the FTC said that it will push ahead with the revision of the Fair Trade Act this fall in order to ignite competition in every nook and cranny of the economy. The commission said that its revision bill is aimed at easing concentration of economic power in the hands of big business groups, checking unfair inter-subsidiary trading and solving monopoly and oligopoly enjoyed by chaebol. An FTC official charges chaebol are opposing the revision to protect their vested interests.

Korean business groups are said to have been instrumental in persuading President Kim Yong-sam to replace Na Ung-pae as the nation's top economic manager last week. Chaebol had issued a series of complaints over Na's move to make corporate management more transparent, including a ban on corporate owners from borrow- ing money from their companies as well as making accounting more transparent.

It is acknowledged that former deputy premier and finance-economy minister Na unveiled a series of pro-chaebol policies, allowing chaebol to enter the life insurance market as well as to gain a wider access to bank credit. But business groups took for granted many of the pro-chaebol programs and highlighted measures that might not be of benefit to their businesses.

Chaebol are rushing overseas to build factories, citing high interest rates, expensive land prices, high logistics costs and wages here. The government is seeking to regulate their overseas exodus out of fear that Korea might experience an industrial vacuum. But big business groups are poised to thwart any of government's moves to regulate their overseas exodus observers here said.

A government official said privately that in the waning days of the Kim Yong-sam administration, the government might not be able to "tame" way-ward chaebol activities.

Whatever steps the government initiates to regulate chaebol, business groups said that these rules are unprecedented in the world. But government officials said that Korea needs 'unique regulation' because chaebol exists only in Korea, he said.

Few doubt the role the Korean chaebol play in the national economy. However, chaebol also wield an enormous influence over the society and the economy. Chaebol have complained over Korea's high wages but it was chaebol, like Samsung, that hiked wages by double- digit figures each year, thus forcing small- and medium-sized firms to increase wages beyond their ability, a Ministry of Finance and Economy official said.

It was big business groups that raised real estate prices exorbitantly. In the past, they recycled much of their earnings to buy additional land, he said.

According to a report by the Organization for Economic Cooperation and Development [OECD], the 30 largest chaebol account for about a third of the total value of added and fixed assets in the manufacturing and mining sector. The top four, Hyundai, Samsung, Daewoo and LG, accounted for more than 60 percent of sales and 78 percent of the profits of the 30 largest groups in 1993. But the size of individual companies in the groups is not large by international standards. In terms of sales Hyundai Motor, the largest Korean car maker, constitutes only about 7 percent of General Motors' sales while Samsung Electronics' sales amount to 14 percent of that of Japan's Matsushita.

The OECD report said that the Korean chaebol appear to compete strongly with each other for market shares.

ROK: Opposition Parties Urge Resignation of Police Chief

SK1008042696 Seoul YONHAP in English 0417 GMT 10 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 10 (YONHAP) — The opposition parties Saturday urged the resignation of National Police Administrator Pak Il-yong, holding him accountable for the series of recent security-related incidents involving policemen.

The major opposition National Congress for New Politics (NCNP) insisted the top police officer should resign voluntarily assuming the incidents which were caused by the "slackened discipline of policemen."

NCNP Deputy Spokesman Sol Hun said that the people cannot trust the police under circumstances that allow officers to be assaulted in a police box and a patrol car was stolen by a drunk.

A policeman died Friday [9 August] while undergoing medical treatment after being seriously wounded in an attack at a police box in Seoul. In another incident, a 15-year-old innocent bystander was seriously injured by shot fired by a policeman chasing a man in his 30s who stole a patrol car.

The United Liberal Democrats said in a statement that the party is shocked at the recent series of incidents which undermined national law-enforcement authority.

The minor opposition Democratic Party claimed the recent incidents stem from lax discipline of police officers and an easy-going attitude toward fighting crime.

ROK: NKP Presidential Hopefuls 'Silently' Looking for Support

SK1508025596 Seoul THE KOREA HERALD (SUPPLEMENT) in English 15 Aug 96 p 3 — Generally pro-government English-language daily

[By staff reporter Sin Yong-pae]

[FBIS Transcribed Text] With next year's presidential election drawing near, the picture of who will run in the ruling New Korea Party's [NKP] presidential nomination race is becoming clearer to party members and political observers.

The potential presidential candidates are silently moving to draw support from party deputies while closely watching how domestic politics will change in the future.

None of them has so far announced their bids for the presidency in line with President Kim Yong-sam's call for the suspension of his party's debate over its presidential nomination.

But analysts said the presidential hopefuls are expected to begin their campaigns publicly for the nomination soon after the National Assembly's regular session ends at the end of this year.

The potential candidates can be classified into three groups — one composed of senior party lawmakers, another of newcomers and the third of outsiders.

Reps. Choe Hyong-u, Yi Han-tong, Kim Tok-yong and Kim Yun-hwan are the senior party lawmakers preparing for the nomination contest.

They may be in a better position than any other presidential hopefuls in winning votes in the party's national convention because they have their own groups of supporters in the party.

Reps. Choe and Kim Tok-yong are both close associates of President Kim. They have gained confidence from the President because of their long unflagging loyalty to him.

The two heavyweight politicians are expected to emerge as front-runners given their powerful organizational strength and political clout.

Reps. Yi Han-tong, former vice National Assembly speaker, and Kim Yun-hwan, former party chairman, are also veteran politicians comparable with the President's men.

Yi and Kim are leading their own factions, whose members are mainly old guard politicians who started their career with past military-backed governments.

But their past ties with disgraced former Presidents Chon Tu-hwan and No Tae-u may serve as the stumbling block in their path toward the presidency. Chon and No, who were arrested on treason, mutiny and other charges, are waiting a court ruling.

Speculation is mounting that Yi Han-tong and Kim Yun-hwan may turn themselves into power brokers ahead of the nomination race.

Unlike those senior party lawmakers, a group of newcomers is expected to find it difficult to draw support from party deputies as they have shaky bases in the party.

But they will likely emerge as strong candidates possibly because of their relatively high popularity among the public and their fresh image.

The newcomers are party Chairman Yi Hong-ku, former Prime Minister Yi Hoe-chang and maverick politician Pak Chan-chong.

The three were recruited by President Kim, who also heads the ruling party, early this year. Their admission helped the party make a better-than-expected showing in the April general elections.

Chairman Yi Hong-ku has repeatedly said he has no intention of running in the nomination race.

Nonetheless, he is being tapped as potential presidential candidate because of his past illustrious career and President Kim's alleged invisible hand of support.

Before starting his career in party politics, he served as college professor, deputy prime minister on national unification, ambassador to Britain and prime minister.

Another former prime minister, Rep. Yi Hoe-chang, who led the party's election campaigns, is becoming one of the stronger potential candidates.

Yi, well known for his integrity and strong advocate of rule of law, is taking the lead over other presidential hopefuls in opinion polls.

He served as chairman of the Central Election Management Commission and chairman of the nation's top inspection agency, the Board of Audit and Inspection.

Veteran politician Pak Chan-chong is also preparing for the nomination race while making local tours to draw support from party deputies.

Pak ran unsuccessfully both in the 1992 presidential election and a Seoul mayoral election last year as an independent.

Some outsiders are being mentioned by the press and some party members as potential presidential candidates.

They are Kyonggi Gov. Yi In-che a close aide to President Kim, and Prime Minister Yi Su-song.

In particular, attention has been paid to Yi as President Kim has called for a generational change in the nation's political leadership. Yi is the only presidential hopeful in his 40s.

ROK: Prime Minister Yi Speaks on Countermeasures Against Crimes

SK1308072696 Seoul YONHAP in English 0631 GMT 13 Aug 96

[FBIS Transcribed Text] Seoul, Aug. 13 (YONHAP) — Prime Minister Yi Su-song instructed all ministries involved with law enforcement to work out comprehensive steps for rooting out crimes that challenge government power Tuesday.

Denouncing the recent murder of a police officer in a Seoul police box and the seizure of a police patrol car in Inchon as "grave incidents that can never be condoned," Yi told the ministries to establish comprehensive measures so that hindrances to the execution of official duties and criminal acts of attempting to neutralize government power can be dealt with sternly.

While addressing a State Council Session, Yi noted that no state can exist unless government authority is maintained, and that attacks on police officers constitute an attack on the government and the people.

"The general public and the administration alike must both recognize anew on this occasion that it is secure government authority that maintains the law and order that safeguards the well- being of citizens," Yi explained.

Yi also instructed all ministries involved with law enforcement including the Finance and Economy Ministry to see to it that discipline is firmly established at police boxes, that manpower is rearranged to ensure efficiency in police administration, and that budgets are increased to support efforts to counter crimes against law enforcement officials.

Burma

Burma: Editorial Hails Than Shwe-Malaysian Ruler Meeting

BK1508085496 Rangoon THE NEW LIGHT OF MYANMAR in English 15 Aug 96 p 6

[Editorial; "For Peace and Harmony"]

[FBIS Transcribed Text] Myanmar [Burma] has been lauded for having achieved continuously high economic growth attributed to able leadership and commitment towards improving the economic wellbeing of the people.

Coming from a personage like the Yang di-Pertuan Agong or Paramount Ruler of Malaysia Tuanku Ja'afar Ibni Al-Marhum Tuanku Abdul Rahman, that is proper assessment.

Positive in the sense that this was pronounced at the banquet hosted by Their Majesties The Yang di-Pertuan Agong and the Raja Pemaisuri Agong for their guests Chairman of the State Law and Order Restoration Council Senior General and Madame Than Shwe, it underscores the warm and friendly relations the two Asian neighbours have enjoyed for a long period in history.

Soon after Myanmar was accorded Observer status in the ASEAN at the Association's recent meeting in Jakarta, the current visit of Myanmar's leader to a highly developed ASEAN member nation helps project Myanmar in her proper perspective.

Malaysia's contribution to Myanmar's development is testified by provision of technical training programmes, bilateral trade and economic cooperation. Malaysia today is the sixth largest investor and there are good prospects for the Malaysian private sector to further engage in mutually beneficial trade and economic collaboration.

His Majesty the Yang di-Pertuan Agong stressed that the Economic, Scientific and Technical Cooperation Agreement signed on the occasion of the visit would provide for the establishment of a Joint Commission to promote and enhance bilateral cooperation between Myanmar and Malaysia.

Senior General Than Shwe was able to apprise his host of the endeavours being made by the State Law and Order Restoration Council with a view to attaining our national goal of building a peaceful, prosperous, modern and developed State and how the government and the people have been vigorously implementing endeavours aimed at consolidating our political, economic and social foundations.

Judging from the developments, Senior General Than Shave opined that one of the notable features of current inter-state relations is the growing importance of regional and international cooperation, with SE-Asia in the forefront.

As the Senior General has also noted that with Myanmar's attainment of Observer status in the ASEAN at Jakarta last month, all the ten Southeast Asian nations have reaffirmed their commitment to the concept of One Southeast Asia, the growing solidarity of which would be in favour of regional and world peace, security and prosperity.

We fully endorse the addresses of the two leaders, both of whom are statesmen dedicated to peace and harmony.

Burma: More Tourists 'Expected' for 'Visit Myanmar Year'

BK1508074996 Bangkok THE NATION in English 15 Aug 96 p A7

[Report by Rita Patiyasewi]

[FBIS Transcribed Text] Rangoon — More than 250,000 tourists are expected to travel to Burma for Visit Myanmar [Burma] Year, which will be officially launched this November, Burmese minister for hotels and tourism Lt. Gen. Kyaw Ba said in a recent interview.

Kyaw Ba said while the ruling State Law and Order Restoration Council (SLORC) prepares to welcome the record-breaking number of tourists with new hotel rooms and improved transportation systems, negotiations are under way with various airlines for more seating capacity.

"We expect more than the 250,000 targeted (arrivals) but it also depends on the airlines. At the moment, we don't have enough airlines," he said.

Last month, Japan's All Nippon Airline (ANA) signed an agreement to fly twice a week to Rangoon and is expected to increase the frequency to three or four times a week during the high season.

Royal Brunei also struck a deal to fly to Rangoon on it's London- Abu Dhabi flights. The inaugural flight will be on Sept 16.

Other carriers currently flying to Burma, such as Thai Airways International, Singapore's Silk Air and the Burmese national carrier Myanmar-Airway International, are expected to see a big increase in passengers, while carriers from Pakistan, India and China have less potential.

To benefit from the growing industry, SLORC has also signed agreements with neighbouring countries for cooperation on tourism. It has signed memorandums of understanding on tourism cooperation with Thailand, Cambodia, Laos and Vietnam and will soon sign one with China.

Kyaw Ba said the inaugural celebration for Visit Myanmar Year on Nov 18 may be too early but the government had no choice. "We have to do it because Myanmar has been closed and isolated for nearly three decades," he said.

He said the hard currency earnings from foreign visitors enjoyed by neighbouring countries had encouraged Burma to open up to tourists.

"We want to profit from these tourist arrivals. That is why we decided to celebrate Visit Myanmar Year in 1996," he said.

Burma, still a virgin land tourism-wise, offers good potential for cultural and ecotourism. The tourism industry, which only became significant when the ministry was established in 1992, is vital to Burma's economic development. The tourism sector ranks second in terms of foreign investment, with major investors coming from Singapore and Thailand. Eight recent projects agreed to by the two countries involve a total investment of U.S. $180 million (Bt4.5 billion).

Minister Kyaw Ba also said he was confident that the volatile political situation in his country would not harm the ongoing development of the tourism industry.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Than Shwe: Burma Committed to Ties With ASEAN

BK1408144396 Kuala Lumpur NEW STRAITS TIMES in English 13 Aug 96 p 2

[BERNAMA report]

[FBIS Transcribed Text] Kuala Lumpur, Mon — The chairman of Myanmar's [Burma] State Law And Order Restoration Council, General Than Shwe, said his country is committed to closer cooperation with ASEAN and the countries of this region.

He said with Myanmar's attainment of observer status in ASEAN last month, all the 10 Southeast Asian nations have reaffirmed their commitment to the concept of one Southeast Asia.

"We are confident that with this growing solidarity, our region will be able to play an increasing important role for world peace, security and prosperity," he said at a State Banquet held in Istana Negara [National Palace] in honour of his visit to Malaysia.

Present at the banquet were Yang di-Pertuan Agong Tuanku [Paramount Ruler] Ja'afar, Raja Permaisuri Agong [Paramount Ruler's consort] Tuanku Najihah, Prime Minister Datuk Sri Dr. Mahathir Mohamed and his wife Datin Sri Dr. Siti Hasmah.

Than Shwe said that as Myanmar changes its economic system by introducing market economy with a wider opening of the private sector, there exists a great variety of business opportunities for local and foreign investors.

"I believe that with the expertise and technology from Malaysia, supplemented by the presence of natural resources in Myanmar, these opportunities could be exploited to the mutual benefit of our two countries and peoples," he added.

He also said that the problem of insurgency faced by the nation since regaining independence, which was the cause for the country lagging behind in economy, has ceased with the return to society by 16 armed groups.

The economy recorded an average growth of 8.2 per cent during the last four years bringing better quality of life for the people, said Than Shwe.

"While opening the country to the outside world, measures are also being taken to ensure the preservation of our rich culture, heritage and national identity," he said.

Malaysia: Government Pledges To Help in Burma's Development

BK1508110796 Kuala Lumpur NEW STRAITS TIMES in English 14 Aug 96 p 2

[Unattributed report]

[FBIS Transcribed Text] Kuala Lumpur, Tues — Malaysia will extend its full co-operation to Myanmar [Burma] which is embarking on a development programme to improve its economic status.

The assurance was given by Deputy Prime Minister Datuk Sri Anwar Ibrahim to General Khin Nyunt, Secretary (1) of the State Law and Order Restoration Council of Myanmar during a one-hour meeting at the Deputy Prime Minister's office.

Finance Ministry Secretary-General Tan Sri Clifford Herbert said Anwar told Khin Nyunt that Malaysia had the expertise in the financial sector, including banking and insurance, to assist Myanmar.

Herbert said Anwar, who is also finance minister, hoped that ties between the two countries would be further enhanced and was glad to note that Malaysian investors had already started operations in Myanmar.

He said Malaysia had extended a U.S.$30 million (RM [Malaysian ringgit] 75 million) credit facilities to allow Myanmar to buy palm oil from Malaysia.

Herbert said Khin Nyunt was impressed with Malaysia's economic growth which would be used as a model in Myanmar's efforts in economic development.

He said Khin Nyunt said his country's priority was to unite the people as there were about 100 different ethnic groups.

He said the Myanmar leader also stated that Myanmar, which is now an observer in ASEAN, hoped to become a member soon and added that the country would benefit from the enhanced co-operation it would receive from ASEAN members.

Meanwhile, Myanmar has invited Malaysian businessmen to build an international airport in Hanthawati and a deep-sea port in Kyaukpyu.

Myanmar Minister of Transport Lieutenant-General Thein Win said his country had also embarked on the building of a new airport in Mandalay, where an Italian-Thai joint development company had been given the contract.

Thein Win said a Malaysian company had also submitted a bid to construct the Hanthawati International airport.

"There are a lot of business opportunities for Malaysian investors, as we are in the process of upgrading the Thilawa port and a new Kyaukpyu deep-sea port at the western coast of Myanmar," he told reporters after calling on Transport Minister Datuk Sri Dr. Ling Liong Sik at the latter's office.

Dr. Ling, who visited Myanmar last month, said Myanmar had everything in place, including investment laws, to attract Malaysian investors.

Asked why Malaysia Airlines [MAS] had yet to fly to Yangon [Rangoon] he said, MAS had plans to fly to the Myanmar capital before the start of the "Visit Myanmar Year" on November 18.

Domestic Trade and Consumer Affairs Minister Datuk Abu Hassan Omar speaking to reporters after meeting Myanmar's National Planning and Economic Development Minister Brigadier-General David Abel at his office said there were about 40 Malaysian business concerns in Myanmar now.

"These are mostly in construction and property development," he said, adding that Myanmar's diverse climate was, however, suitable for many kinds of agricultural products.

"Because of our rapid development, most of the land suitable for agriculture has been taken up for development. So, in time to come we will need to look outside of our country for the supply of some types of food," he said.

He added that State Governments and big estates were encouraged to concentrate on growing food but certain types of food would still have to be imported because its cost of production was higher than to import it.

"Malaysia imports, among others, cereals, natural rubber, vegetables and fruits and fish from Myanmar. They have a plentiful supply of fish. It is only a question of proper tapping of the supply," he said.

However, he said, Malaysia was dependent on both local and imported supply of food.

Malaysia: NGO's Object to Burmese Leader's Visit

BK1508075796 Kuala Lumpur THE STAR in English 15 Aug 96

[Unattributed report—received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Twenty-eight non-governmental organisations [NGO's] yesterday objected to the visit of Myanmar's [Burma] State Law and Order Restoration Council (SLORC) chairman Than Shwe to the country.

They said they were shocked by the Government's willingness to "consort with a regime notorious for its atrocities and disregard for basic human rights of its citizens".

They said it was internationally recognised that the Myanmar regime was guilty of the massacre of thousands of unarmed civilians in 1988 and continued to jail, torture, and murder thousands since then.

"Malaysia is in a better position to facilitate positive change, instead of supporting a regime smeared with the blood of hundreds of thousands of our fellow Asians," they said in an open letter to the Foreign Minister Datuk Abdullah Ahmad Badawi.

Among the signatories were ABIM [Malaysian Islamic Youth Movement, Just World Trust, Cenpeace, World Assembly of Muslim Youth, Suaram [the Voice of the Malaysian people], Insan [Institute of Social Analyses], Aliran [a reformist movement], and CAP [Consumers Association of Penang].

Malaysia: Accord Signed To Establish Tartarstan Stock Exchange

MS1508105196 London FINANCIAL TIMES in English 15 Aug 96 p 4

[Report by James Kynge: Malaysian Companies to Set up Tartar SE"]

[FBIS Transcribed Text] Kuala Lumpur —Two Malaysian companies connected to the royal family signed agreements yesterday to establish a stock exchange in the Russian republic of Tartarstan.

The move was a new departure for Malaysia's corporate community, which has invested in the newly-independent states of former Soviet Central Asia but has had no high-profile contacts with Tartarstan, a largely autonomous central Russian republic.

The two companies, STI and Petra Khyra Investments, agreed to set up the republic's stock exchange along the lines of Kuala Lumpur's bourse, the third biggest in Asia after Tokyo and Hong Kong. Tartarstan, in common with other parts of Russia, is undergoing a privatisation programme and needs a viable stock exchange.

The eldest son of Malaysian King Ja'afar Abdul Rahman, Prince Naquiyuddin, witnessed the signing ceremony between the companies and representatives of Tartarstan, including Mr Ravil Mouratov, the first deputy prime minister and

Mr Rashid Akhounov, the foreign economic relations minister.

Prince Naquiyuddin's brother Imran is executive chairman of STI.

The two companies also signed agreements to take part in other projects including property development and the privatisation of state-owned concerns including a helicopter manufacturer, an optical plant, a telecommunications firm, a water supply system and an insurance firm. It was likely that the Malaysian companies may take an equity stake in some of the privatised concerns.

"We've already started work on the stock exchange and the optical plant and water projects," said Mr Vinod Shekar, STI's executive.

STI and Petra Khyra plan to hire international expertise to help carry out the various projects, for which neither company has obviously relevant experience. STI is best known in Malaysia for assembling a sports car, Bufori, and Petra Khyra was established recently and has little track record.

Cambodia

Cambodia: Khmer Rouge Dissidents Said Holding Talks With Government

OW1408232496 Tokyo KYODO in English 1512 GMT 14 Aug 96

[FBIS Transcribed Text] Bangkok, Aug. 14 KYODO — Breakaway dissidents of the outlawed guerrilla group Khmer Rouge have held peace talks with Cambodian defense officials and demanded their leader be allowed to run in a 1998 general election, sources familiar with the talks said Wednesday [14 August].

The request came in talks held Monday in the town of Poipet on the border with Thailand as the two sides scrambled to seal the terms of a cease-fire leading thousands of guerrillas to cooperate with the Cambodian Government, the sources said.

In the talks, the Khmer Rouge dissidents demanded their leader Ieng Sary, a former brother-in-law of shadowy Khmer Rouge leader Pol Pot, be allowed to form a party and run in the national poll and that they be allowed to maintain their key Phnom Malai and Pailin zones in western Cambodia, the sources said.

The Cambodian officials agreed to leave the key zones in rebel hands, but withheld consent on the demand for the party and Ieng Sary's candidacy in the election, they said.

The sources said the two sides are scheduled to meet again on Thursday.

Ieng Sary was the No. 2 man in the Maoist Khmer Rouge regime led by Pol Pot, whose bloody 1975-1979 rule is estimated to have left nearly two million people dead through execution, starvation, disease and overwork.

The government negotiators included armed forces Deputy Chief of Staff Lt. Gen. Nhek Bun Chhay and the Khmer Rouge dissidents' side included two breakaway field commanders, Sok Peak, who governs the Phnom Malai military stronghold, and Mit Chien, governor of the gem- mining center of Pailin, the sources said.

The two commanders broke away from the Khmer Rouge along with 3,000 supporters, a move viewed by analysts as a sign that the guerrilla group is facing its most serious split since it was ousted from power in 1979.

The Khmer Rouge inked a 1991 peace treaty officially ending the war but later rejected UN-supervised elections in 1993 and continued fighting against the new coalition government.

Indonesia

Indonesia: Neighboring Countries Assured About Natuna Exercise

BK1508004196 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 14 Aug 96

[FBIS Translated Text] A massive joint exercise by ABRI [Armed Forces of the Republic of Indonesia] personnel to be held in the Natuna and Riau waters early September is not meant to provoke neighboring countries. ABRI has no intention of provoking other countries by holding the joint exercise because the exercise is aimed at safeguarding the security and development of a mega project in the Natuna island.

Colonel Sutan Iskandar, deputy chief of the ABRI Information Service, said this to reporters in Jakarta today. As is known, the PRC and Vietnam have claimed Natuna island as part of their maritime territory, but Indonesia has dismissed their claim because Natuna island has been part of Indonesian territory for a long time.

The ABRI joint exercise is not meant as a preparation to cope with any potential attack, but is aimed at protecting the liquefied gas project in Natuna island.

Indonesia: Youth, Islamic Leaders Hold Pro-Government Rally

BK1508002896 Jakarta TVRI Television Network in Indonesian 1000 GMT 14 Aug 96

[FBIS Translated Text] The government, people, and ABRI [Armed Forces of the Republic of Indonesia] must be vigilant against certain activities that can destroy unity and integrity. In view of the existence of groups and individuals who want to revive communism, the government and people have adopted their stand of opposing such an ideology.

About 5,000 people from 59 youth and mass organizations as well as Islamic religious leaders held a rally and issued a resolution to support the New Order government and uphold the Pancasila ideology and 1945 Constitution. The two-point resolution said among other things that South Sumatra youths and people strongly oppose communism and other extremist ideologies. They also call on all people to strengthen unity and integrity.

The resolution reflects the stand adopted by the younger generation in Jambi, who oppose any activity against national unity and integrity. A total of 29 youth organizations signed the resolution, which was read out by Arif Munandar, head of Jambi KNPI [National Youth Committee].

Philippines

Philippines: 19.4 Percent Increase in Exports in 6 Months Noted

BK1508070796 Manila PHILIPPINE DAILY INQUIRER in English 3 Aug 96 p B1

[Unattributed report]

[FBIS Transcribed Text] Philippine merchandise exports posted a 19.4-percent growth in the first semester of the year to $9.58 billion from $8.02 billion last year, a report of the National Statistics Office [NSO] showed.

The report showed a 17.7-percent growth in export shipments in the month of June alone, from last year's $1.52 billion to $1.79 billion. The figure was 11.1 percent higher compared to the month- ago level of $1.6 billion.

The United States remained the country's biggest export market during the month while electronics was the period's top dollar earner.

Of the total exports in June of $1.79 billion, the United States absorbed 35.5 percent or $636.36 million. This represented an increase of more than 20 percent from last year's $529.86 million.

Japan followed with $321.64 million or 18 percent of the total. The amount was 48 percent higher from the year-ago level of $217.15 million.

The NSO report showed Singapore as the country's biggest export market in the Asean with total shipments of $113.21 million in June or 6.3 percent of the total. This was 28.7 percent higher than 1995's $87.99 million.

Other major export markets and their share to total exports in June included the Netherlands $91.68 million or up by 25.8 percent from $72.9 million last year; Germany, $78.96 million; Malaysia, $72.59 million; United Kingdom, $63.89 million: Hongkong $60.95 million, Thailand, $56.41 million; and Taiwan, $51.51 million.

The top 10 export markets accounted for $1.55 billion or 86.4 percent of the total.

Electronics and components were the country's top exports in June accounting for $747.42 million representing 41.7 percent of the total and 44.2 percent more than last year's $518.3 million.

Apparel and clothing accessories followed with a 12.5-percent share of the aggregate exports or $224.5 million. This was down by 5.9 percent from $238.47 million last year.

Products manufactured from imported consigned raw materials landed as the third biggest export earner for the month with $50.68 million, up by 50 percent from $33.8 million last year.

Philippines: Overseas Workers' Remittances Expand 53% in 1st Quarter

BK1508074196 Manila BUSINESS WORLD in English 1 Aug 96 p 12

[Unattributed report]

[FBIS Transcribed Text] Foreign exchange remittances of Filipino overseas contract workers (OCWs) expanded 53% to $1.685 billion in the first quarter of 1996 from $1.099 billion in the same period last year. An increase in OCW remittances augments the foreign currency reserve, shrinks the deficit in the country's balance of payment (BOP) and increases the gross national product (GNP).

Based on the report released by the Bangko Sentral ng Pilipinas [Central Bank of the Philippines] (BSP), OCWs in North America accounted for the bulk of remittance at $1.309 billion, up 53% from $854 million a year ago.

Workers in the United States sent home $1.305 billion during the first three months, cornering 99.7% of the total remittances from North America.

Canada, on the other hand, had the higher increase in dollar turnover reaching $4.97 million, a 209% increase from $1.61 million in 1995. It may be noted that the country ranks first in the Human Development Index (HDI), a measurement of social and economic development. Hence, Filipinos enjoy the maximum benefits of working in Canada.

Meanwhile, Asia placed second in the list of total remittance by region, generating $148 million. Filipinos in the continent improved their remittances 68.7% from a year ago's $87.73 million.

Among Filipino workers in Asia, those in Hong Kong remitted the highest amount at $53.7 million or a 10% increase from $48.96 million previously. Filipinos in the British colony accounted for 36% of remittances from the region and around 3% of the total remittances from Filipinos all over the globe.

If it is an indication that the strained relationship brought about by the hanging of Flor Contemplacion was a thing of the past, remittances from Singapore expanded a significant 235% to $49.901 million from $14.649 million a year ago.

However, Thailand posted the highest growth of 2,431% to $13.57 million from a measly $536,000 in the first quarter of 1995. Due to the competitive salaries brought about by its fast-growing economy, Thailand was able to lure a number of Filipino workers in its industrial arena, particularly in jobs involving infrastructure development. It was noted in the BSP report that among Asian countries, Thailand also had the most number of Filipino contract workers who remitted their salaries to the Philippines.

OCW remittances from Filipinos in Europe posted the highest percentage increase of 142% to $138 million from $57 million a year earlier.

Among Filipinos in Europe, those working in the United Kingdom plowed in the highest amount of dollar earnings amounting to $67.91 million, up 322.6% from $16.07 million previously.

Germany followed, registering a 141.2% increase to $33.65 million from $13.95 million the earlier year.

OCWs in the Middle East remitted only $15.34 million. Nonetheless, their remittances improved 52.2% from $10.08 million a year ago.

MIDDLE EAST [subhead]

The Middle East remains one of the regular sources of OCW remittances. Among Middle East countries, Saudi Arabia still accounts for the highest remittances made by Filipinos. During the review period, Filipinos in Saudi Arabia remitted $9.734 million, up 394% from $1.972 million previously.

Contributions by those in Kuwait amounting to $4.898 million was next. Filipinos in United Arab Emirates, Qatar, and Bahrain Islands turned in smaller amounts.

Based on the BSP report, land-based Filipino OCWs accounted for the bulk of the remittances during the review period. These amounted to $1.626 billion or around 96% of the total dollar turnover in the first quarter. Their share in the total also improved from 92% a year ago. The remittance improved 61% from $1.011 billion previously.

In contrast, contributions by sea-based Filipino contract workers dropped 23.4% to $57.54 million from $75.13 million. Earnings of resident aliens, however, registered the highest decline. During the three-month stretch, resident aliens' remittances dropped 73% to $3.28 million from $12.367 million.

Philippines: Domestic Debt Increase in 1995 Reported

BK1508072196 Manila BUSINESS WORLD in English 31 Jul 96 p 17

[Report by Elisha R. Garcia]

[FBIS Transcribed Text] Increases in borrowings of the National Government [NG] and government-owned and -controlled corporations (GOCCs) bloated the country's total domestic debt to P[peso] 2.028 trillion [$76.9 billion] as of end-1995.

Latest data from the Department of Finance show domestic debt expanded by 7.7% or P145 billion to P2.028 trillion from P1.883 trillion in 1994.

Among the components included in the computation of the national debt, only government financial institutions (GFIs) recorded a drop in the debt incurred during the period, with P207.1 billion from P231.1 billion previously.

The data show the NG was still the country's biggest borrower, accounting for 64% or P1.304 trillion of the total debt stock.

Documents obtained by BUSINESS WORLD from the Department of Budget and Management show a bulk of the NGs debt was composed of assumed liabilities of the Philippine National Bank (P34.56 billion), Development Bank of the Philippines (P52.42 billion), the Philippine Nuclear Power Plant (P13.07 billion), and the Philippine Airlines (P2.78 billion).

The 14 monitored GOCCs, on the other hand, incurred a debt of P259.4 billion, the old Central Bank had P82.6 billion while the Bangko Sentral [Central Bank] had P322.9 billion.

Although there was an increase in the debt stock, a ranking Finance official said its share relative to the gross national product (GNP) the value of all goods and services produced by the nation and income from abroad-dropped significantly since two years ago.

He attributed this to the GNP growth during the period.

Last year, the economy grew by 5.73% in GNP from 5.2% in 1994.

The Finance official said the computation of local debt already excluded "interagency loans" availed by government agencies to avoid double counting in their accounts.

Interagency loans are loans extended to the NG for relending to GFIs. Through the exclusion, GFI's debts were booked with the agencies and not with the NG account.

The NG has programmed outstanding borrowings at the beginning of fiscal year 1997 to reach P1.155 trillion -67% of which will be domestic borrowings and the remaining 33% foreign.

A total of P127.34 billion will be in additional borrowings, of which P110.5 billion will be from the domestic market and P16.84 billion from foreign sources .

Thailand

Thailand: Chat Phatthana Party Leader Says Banhan Should Resign

BK1508032296 Bangkok THE NATION in English 15 Aug 96 p A3

[Unattributed report]

[FBIS Transcribed Text] Chat Phatthana leader Chatchai Chunhawan yesterday pledged that his party would not join the government in the wake of the Phalang Tham Party's [PDP] pullout from the coalition.

The former prime minister suggested that the best way out of the current turmoil was for Prime Minister Banhan Sinlapa-acha to resign.

"The government is falling by itself. The opposition has done nothing. Our party will not join the government and I'm not thinking about being prime minister," he said.

"The best way out for Banhan is to resign, and the worst is to dissolve the House."

The PDP announced the withdrawal of its 23 MPs from the government coalition on Tuesday night, reducing the government's strength in the House to 209.

Chat Phatthana executive Chamlong Khrutkhunthot said there was only one condition under which the party would agree to join the government.

"If Banhan continues as prime minister, Chat Phatthana will not become his partner, no matter what he offers.

"The only offer we would agree to is for Chatchai to become prime minister," he said.

Chat Phatthana secretary-general Suwat Lipataphanlop said the PDP's withdrawal had clearly affected the government's stability, although it still controlled a majority of parliamentary seats.

He said there were several important bills pending consideration by Parliament, including the 1997 budget bill, and the issue of political reform.

At an opposition meeting on Tuesday there had been no sign that any opposition party was willing to join a Banhan-led coalition government.

Nothing, including a reshuffle, could solve the government's problems because it had become too unstable, he said.

Suwat said if the government approached certain parties to join the coalition it would simply be aiming to increase its strength in Parliament. This would not help to rebuild its credibility.

"At this stage, if a party in the the opposition joins the coalition, it would just result in the government deteriorating further.

"It is now up to the prime minister to decide whether he will act for the benefit of the country or for the government," he said.

Thailand: PDP Vows Not To Rejoin Government Coalition

BK1508034896 Bangkok THE NATION in English 15 Aug 96 pp A1, A6

[Unattributed report]

[FBIS Transcribed Text] The Phalang Tham Party [PDP] vowed yesterday not to rejoin the government, saying its pullout was prompted by the failure of government leaders to clarify the bank- licence scandal and the campaign funding claims of Rakesh Saxena.

PDP deputy leader Chaiwat Sinsuwong said the two issues have further lessened the public's trust in the government. "So the Phalang Tham Party, as a coalition partner, must show responsibility. We will continue to serve in the legislature," he said.

Justice Minister Chaloem Yubamrung, leader of the Muanchon Party, alleged last week that Bt [Thai baht] 750 million was paid in return for each of the new banking licences approved for three private groups which won the bidding to set up new commercial banks.

Saxena, a key suspect in the Bt16.5 billion Bangkok Bank of Commerce embezzlement case, earlier claimed that he contributed financially to the Chat Thai Party ahead of last year's general elections. A former adviser to the financially-troubled bank, Saxena is currently fighting extradition in Canada.

Chaiwat said yesterday the PDP will not, however, join the opposition in censuring the government in a future no-confidence debate, because of"political etiquette".

"But (the party) will discuss later whether to vote in support of or against the government on certain points," he said.

PDP leader Thaksin Chinnawat confirmed yesterday that the party "certainly" will not return to the Banhan government. "I told the prime minister our party has made a unanimous decision to leave the government," he said. However, Thaksin added that the PDP will vote in support of the government's budget bill and other projects the party helped initiate.

Thaksin said the party decided to reverse its threat to leave the government early last month because Prime Minister Banhan Sinlapa- acha then reshuffled his Cabinet in accord with PDP requests.

"But this time, we have made no requests," he said.

The PDP leader said his party will now focus on acting as a good opposition party working for the country's benefit, rather than taking part in a scramble for power.

He rejected immediate speculation that the PDP's decision to withdraw had something to do with the recent Cabinet resolution not to approve a project proposed by the Industry Ministry, which was under the party's supervision.

Thaksin said he did not think the PDP's pullout will quickly lead to the government's collapse as the government still enjoys a majority in the House.

"The government still controls 209 MPs, more than half the number of MPs in the House.

"It's unlikely to collapse. If it does collapse, it will not be because of (the absence of) 23 MPs from the PDP," he said.

Party deputy leader Thawin Phraison yesterday said Justice Minister Chaloem's remark that the bribery allegation "had been cleared" had adversely affected the government's credibility.

Thawin said he feared Chaloem's remark will mislead the public to think that the PDP also gained from approving the new commercial banks.

Meanwhile, at Government House yesterday, PDP spokeswoman Sansani Nakphong tendered the resignations of all five of the party's Cabinet members to the prime minister's secretary, Det Bunlong.

She too said it was unlikely the Phalang Tham will rejoin the government.

She added that she did not think the party will unite with any other parties in an attempt to form a new government.

Thailand: Premier Vows To Carry On Following PDP's Withdrawal

BK1508031196 Bangkok THE NATION in English 15 Aug 96 pp A1, A6

[Report by the political desk]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha, his government rocked by the unexpected pull-out of the Phalang Tham Party [PDP], decided yesterday to carry on with a shaky six party coalition after his remaining allies, led by Gen. Chawalit Yongchaiyut, reaffirmed their loyalty—at least for now.

The PDP withdrawal left the government with 209 MPs in the 391- member House of Representatives. That is a precarious majority given the still-simmering possibility of a rebellion within the Chat Thai Party, the increasing unpredictability of the rest of the coalition partners, and the coming parliamentary showdowns with the opposition over political reform and a censure motion.

Declaring "Bangkok is not Thailand", a grim yet adamant Banhan insisted he had done enough for people upcountry to justify his mandate to rule. He said his credibility with Bangkokians had been destroyed by a hostile media, whose belligerence, he claimed, would make "100 more prime ministers" suffer the same fate.

"Wait and see and I will show you (how to survive the crisis)," he said, and hinted he will reshuffle his Cabinet again but declined to say when.

Banhan and leaders of the New Aspiration [Party—NAP], Social Action, Nam Thai, Prachakon Thai and Muanchon parties held an urgent meeting at Parliament when it became clear that the PDP would not change its mind. They discussed the option of bringing in the opposition Solidarity Party, but decided to refrain from doing it now.

"The six parties can keep on working without a new party," said Chawalit. Sources said it was the NAP leader who advised Banhan not to woo any opposition party at the moment, pending the budget debate and the no-confidence session.

Despite the reassurance of allegiance, Banhan will still be walking a political tightrope. Nam Thai decided to continue backing him only after a serious debate among party members, many of whom had called on leader Amnuai Wirawan to follow the PDPs move. Banhan's serious conflict with Muanchon leader Chaloem Yubamrung over the new bank licences has not been completely settled. And with the PDP's departure, the Thoet Thai faction will have a greater bargaining power. Chawalit, who has been on a collision course with Banhan over military budgets, sprang a surprise by publicly rallying behind the prime minister. But behind the scene rumours abounded about his "secret meeting" on Tuesday night with Democrat secretary- general Sanan Khachonprasat, fuelling speculation about his true agenda.

As far as Chawalit is concerned, if Banhan is to be overthrown, the best time would be during the censure session, observers said. The no-confidence debate could unleash, in Chawalit's own words at Tuesday's NAP meeting, a "knock-out punch" on a softened-up Banhan, shattering whatever chance he has of staging a comeback.

Nam Thai and NAP, while declaring full support for the budget bill, appeared to have invoked a conspiracy of silence on the question of whether they would still fully back Banhan at the end of the censure debate. Sources claimed Chawalit told the party meeting on Tuesday that Banhan should not expect blind support because the NAP would judge the opposition's information before it votes.

"We will see what happens after the censure debate," Chawalit said yesterday in what was perceived by some as an ambiguous remark. "Politics has its appropriate course and we should not disrupt it. I'm confident that the prime minister will fight, otherwise he will be accused of trying to escape a grilling again.

"Whatever change occurs after that depends on him. I think he'll know what to do."

Prachakon Thai leader Samak Sunthorawet confirmed the prime minister's will to hang on, and Chawalit's "sincere" pledge to continue his backing.

"At our meeting today nobody was over-worried by the PDP move. We were relaxed and on occasions we laughed. And don't believe the rumour that Gen. Chawalit will revolt," Samak said. "The prime minister declared firmly that the six-party coalition will walk on. If there's going to be any (reshuffle), it will happen before November."

Banhan and his close advisers, including his daughter Kanchana and well-known academic Seri Wongmontha, met at the headquarters of a company affiliated with the Sinlapa-acha family yesterday evening. Later, government spokesman Somsak Pritsananthakun who attended the meeting, said it was agreed that Banhan would go on TV today to counter all allegations and explain the political situation in the wake of the PDP pullout.

Despite Banhan's successful attempt to persuade the PDP to stay on, and the PDP's extremely polite resignation?letter there were parting shots from both sides when it appeared certain that the PDP would not return.

Banhan, Chaloem and Social Action leader Montri Phongphanit lined up to imply that PDP leader Thaksin Chinnawat pulled his party out because of a conflict of interests.

According to Banhan, Thaksin could be upset over Cabinet decisions on the Bangkok subway project. Chaloem suggested the withdrawal had something to do with the alleged bank licence bribery, while Montri cited conflict over the Thai Oil affair.

During the Cabinet meeting on Tuesday, Thaksin clarified his family's involvement with one group of the successful bidders that vied for licences to operate new banks. He said his brother-in-law was a partner in the MBK Group, but added that he believed MBK would never pay under-the-table money to obtain a licence.

Montri yesterday blasted the PDP for playing "hypocritical" politics yet again. "One should be man enough after deciding to be part of the team. It's not right to blame it all on the others while taking all credit. Nobody blames him (Thaksin) for his failure to solve traffic jams after 12 months," the deputy prime minister said.

The hand-written resignation letter submitted by Thaksin to Banhan yesterday thanked him for giving the PDP the opportunity to work in his government and for his continued support for the party.

But, it said, the current circumstances "are neither convenient nor beneficial for Phalang Tham to continue its government duty. It would be of greater benefit to the majority if we perform only our legislative function."

Thailand: Developments After Phalang Tham Party Withdrawal

BK1508004896 Bangkok Radio Thailand Network in Thai 1200 GMT 14 Aug 96

[FBIS Translated Text] Chaiyot Sasomsap, leader of the Solidarity Party, granted an interview at the parliament building this afternoon. Asked about a report saying the party had been approached to join the government, he denied it and confirmed that his party remains in the opposition. He believes the government can survive with 209 votes. Concerning his party's position, he said the party executive committee had already adopted a position in case the party is approached to join the government, but he cannot reveal it as there has been no invitation extended so far.

Phinit Charusombat, secretary general of the Seritham Party, also granted an interview to newsmen at the parliament building. He confirmed the party's stand of not joining the government of Prime Minister Banhan Sinlapa-acha. He said the Seritham Party does not accept this administration. He said that the political situation has reached a point where a cabinet reshuffle would do nothing to improve the situation. He said the most appropriate thing for the prime minister to do now is to resign and let the leaders of other political parties form a new government. He also rejects a House dissolution as an option, although the prime minister is empowered to do so under the constitution. He noted that it is the government that is beset by problems not the parliament.

Somsak Pritsananthakun, the spokesman of the Prime Minister's Office, says the prime minister is ready to face a no-confidence debate by the opposition with the 209 votes of support left. Reporting on a meeting of the leaders of six coalition parties at the parliament building today, the spokesman said Prime Minister Banhan is ready to answer questions from the opposition. Asked how the prime minister could be confident of support from coalition parties, the spokesman said leaders and secretary generals of the coalition parties had given an assurance to the prime minister at the meeting today.

The spokesman of the Prime Minister's Office said that before affecting any political changes, the prime minister must engage in the following three tasks first, that is, the passage of the government's draft budget bill, the amendment to Article 211 of the Constitution, and answering th? opposition's no-confidence debate.

Thailand: Editorial on Premier's Options Following PDP Withdrawal

BK1508044696 Bangkok THE NATION in English 15 Aug 96 p A4

[Editorial: "PDP Pullout Could Signal Coalition's End"]

[FBIS Transcribed Text] The ship is sinking and there is no one else to blame but the captain. The question now is which party will follow the PDP (Phalang Tham Party), which hastily decided late Tuesday to leave the government. What the situation clearly indicates is that Prime Minister Banhan Sinlapa-acha has lost control and that some of his coalition partners do not respect him.

The crisis of leadership was apparent at the lengthy Cabinet meeting on Tuesday when the ministers debated the granting of three new bank licences. However, they failed to reach any compromise and instead decided to give Finance Minister Bodi Chunnanon the sole responsibility of approving them. A panel was also formed to look into the allegation made by Justice Minister Chaloem Yubamrung that those wanting to get a new bank licence had to be willing to pay a bribe of Bt [Thai baht] 750 million.

The Cabinet decision smacks of irresponsibility. Here is an issue that is both sensitive and important to the country's financial development. But the ministers, some whom might have other things in mind, suddenly did not want to have anything to do with the granting of bank licences and were content to pass the buck to Bodi.

But by failing to back Bodi, who demanded a clear-cut endorsement from the Cabinet on the granting of three new bank licences, the prime minister once again showed cowardice and inability to fulfill his duty as government leader. Instead, he and the ministers put their political interests first. The decision taken by the Cabinet signalled victory for Chaloem and Defence Minister Chawalit Yongchaiyut. Both have made no secret of the fact that they wanted two losing applicants in the previous bid to be given bank licences.

Strangely enough, Nam Thai Party leader and Deputy Prime Minister Amnuai Wirawan was not at all upset by the turn of events even though he is in charge of economic affairs and making recommendations in the granting of the new bank licences. He neither received the Cabinet's explicit approval for his proposal nor was his recommendation that a bid be held again for the issuance of two remaining licences—something that would have made both Chaloem and Chawalit happy—evaluated. Another person who must be unhappy is Bodi.

In the end, it was the PDP which objected to the way that the Cabinet had acted yesterday. Party deputy leader Thawin Phraison said the Cabinet failed to exercise its legitimacy and was content to protect its vested interests, which would only harm the country's credibility.

But there is some confusion here too. The PDP is seemingly upset with the Cabinet debate on the floating of Thai Oil Co's shares, a company where the Petroleum Authority of Thailand is the biggest shareholder. There was also a heated debate on the multi-billion baht bidding for the Metropolitan Rapid Transit Authority's underground train project. Not surprisingly, both issues are under the responsibility of the PDP. Its decision to pull out was unanimous.

Under normal circumstances, none of the three issues would have been too difficult for the government to resolve—that is, if the prime minister had the guts to exercise his leadership and lead the Cabinet towards approving resolutions that are rational and consistent with policies. But Banhan has become a lame duck leader. His Chat Thai Party is disintegrating. He has steadily tried to wash his hands of all responsibility on sensitive issues. The atmosphere surrounding Cabinet meetings is said to be bordering on anarchy. The Tuesday meeting where the Cabinet tackled the granting of bank licences is a case to point. It also came at a bad time as the budget bill went for debate during its second reading in Parliament yesterday. The political temperature was so hot that the government banned live broadcasting of the budget debate.

Since becoming prime minister, Banhan has been unable to solve major problems because he is a bigger problem. Political conflicts that have rocked the country's economy and crippled his government stemmed from his inability to be decisive and tendency to put the vested interests of factions above the national interest.

He likes to buy time, unaware that such a ploy has made problems accumulate, alienated allies and galvanised enemies. That's why he has found himself in such a precarious situation today.

He must wake up to the reality that the PDP has jumped ship, with Nam Thai and the New Aspiration Party likely to follow suit.

The options for the future of this government, which has a slim majority in the House, have narrowed down to a House dissolution or a coalition reshuffle. It remains to be seen where the prime minister will slot himself in the post-Banhan democracy.

Thailand: Chawalit Reiterates Continued Support for Banhan

BK1508080296 Bangkok Radio Thailand Network in Thai 0530 GMT 15 Aug 96

[FBIS Translated Text] General Chawalit Yongchaiyut, deputy prime minister and minister of defense as leader of New Aspiration Party, gave an interview to reporters after a meeting with core members of his party at the office of the party secretary at Ban Mittraphap house on Rama Six Road. He said his party has resolved to continue supporting the government until after the no-confidence debate in which he believed the prime minister will be able to give clear answers to all questions raised by the opposition parties.

With regard to the appointment of new ministers to replace those of the Phalang Tham Party which has withdrawn from the coalition, he said it depends on the prime minister. He also expressed confidence that 209 supporting votes are more than enough to efficiently administer the affairs of the country.

[Begin recording] [General Chawalit] I have told you the opposition has done its utmost to do its duty. It has done the right thing. We believe that the prime minister can answer any question raised by the opposition. We will spiritually support him and give him an encouragement. This is the system and method that we must maintain. It is not appropriate for us to do any thing that causes damage to this practice. We should support this political system and help make it a model for politicians and political parties to follow. I hope you understand this stand of the New Aspiration Party. We have discussed this issue during the meeting. Party members have all along been informed of this stand. All members have agreed to it.

[Reporter] What about an appointment of new ministers to replace the old ones?

[Gen. Chawalit] It is still not necessary. There is still time before the no-confidence debate. No need to hurry. However, it depends on the prime minister. I am certain that our work will not come to a standstill or will be less efficient. Be patient. [end recording]

Thailand: Papers View Current Political Crisis

BK1508122796

[FBIS Summary] Three Thai-language daily newspapers on 15 August carry three editorials and one front-page remark discussing the current political crisis facing the Banhan Sinlapa-acha administration.

THAI RAT's 500-word editorial on page 3 entitled: "A Farce Cheating the People" notes that the Cabinet "acknowledging" the Finance Ministry's proposal to set up three new commercial banks in its weekly meeting on 13 August means that it approved such a proposal despite a serious allegation that Police Captain Chaloem Yubamrung, justice minister and leader of the Muanchon Party, made recently that a bribe of 750 million baht was paid to gain approval to set up a new commercial bank. Chaloem earlier said he would expose more facts on the banking bribery issue but later swallowed his words soon after holding secret talks with the prime minister. Chaloem's act is like a farce cheating the public.

The paper says that so far no one has been able to prove who tells the truth and who is lying, but it is good that the Cabinet has ordered a quick investigation into the case to clarify Chaloem's banking bribery charge. This is because, Chaloem is the leader of a party in the coalition government and also the minister of justice.

"This sense of a political farce once again proves that the government will do anything to survive so that it can have the opportunity to further enjoy power without caring for the interest of the country or even public feelings," notes the paper.

"Since the men in the government have reached a compromise on their shared interests, the only final choice for the Thai people, who want the matter to be clarified, is to resort to the censure motion to be submitted against the entire Cabinet by the Opposition," concludes the editorial.

NAEO NA's 500-word editorial on page 3 entitled: "Political Heroes," hails Pol Capt [Police Captain] Chaloem Yubamrung, leader of the Muanchon Party, and the Phalang Tham Party as "political heroes." Chaloem is praised for his courage in launching a vital outburst against the government, which he belongs to, hinting that each of the three new commercial banks will have to pay a 750 million baht bribe to obtain new banking licenses. He asked Prime Minister Banhan Sinlapa-acha to resign to show responsibility for the corrupt act.

The Phalang Tham Party is commended for its brave decision to withdraw from the government, whom the people are condemning for its suspicious and unscrupulous acts.

At present, the prime minister and key members of the coalition parties have not yet decided whether the prime minister should resign or whether another party should be invited to join the government. In any event, at the last minute, the prime minister may decide to dissolve parliament. "If Prime Minister Banhan Sinlapa-acha decides to dissolve parliament, returning power to the people, the prime minister could possibly become another political hero," the editorial concludes.

KRUNGTHEP THURAKIT's 600-word "Page 1 Remark," on the front page is entitled: "Last Chance for Banhan To Avoid Committing More Sins by Dissolving the House and Returning Power to the People."

It states that due to the current political situation and the deteriorating economy of the country, the remaining six-party 209- seat coalition government can no longer perform its duties effectively. The Phalang Tham Party is praised for its decision to pull out of the government. The remark points out that the failure of the Banhan administration has caused serious damage to the country's economy.

"We call on Mr Banhan to use this last chance of his political career to courageously correct mistakes and rectify the worsening political situation by dissolving the parliament after the passage of the 1997 fiscal budget bill in the second and third readings this Saturday," the remark emphasizes.

The paper also calls on Banhan to redeem his mistakes in the last chance of his political life for the sake of the country by returning to the people the power to have another general election. "This action is better than to further buy time worthlessly while every minute means more damage to the country," the front-page article stresses.

KRUNGTHEP THURAKIT's 500-word editorial on page 2 entitled: "Last Act of Banhan, Expert in Interest Sharing," contains similar content to its front-page remark. It notes that Banhan has met with complete failure over the past year as a leader of an elected democratic government.

The editorial reviews mistakes made by the prime minister from the first day of his administration of the country to the present. The paper cites its previous comments about Banhan's first cabinet list, which included several unqualified ministers, its condemnation of Banhan's ugly evasion of the no-confidence debate against him, followed by versions of political farces.

Lastly, it notes that Banhan's effort to make his government survive with the remaining 209 seats is a most regrettable act because the root of all the problems is that Banhan's ability in national administration is much below par thus causing serious political conflicts and an economic downturn, which is very hard to revive in a short period of time.

Thailand: Media Blamed for Government's 'Low Public Standing'

BK1508034696 Bangkok BANGKOK POST in English 15 Aug 96 p 1

[Unattributed report]

[FBIS Transcribed Text] The press is responsible for the Government's low public standing, Prime Minister Banhan Sinlapa-acha said yesterday.

Mr. Banhan insisted he was fit to rule despite Phalang Tham's departure which sent shockwaves across the political spectrum and fuelled speculation his confidence was misplaced.

The premier was said to have been caught off guard when Phalang Tham secretary-general Sudarat Keyuraphan told him the party was quitting.

His pleas fell on deaf ears, with party leader Thaksin Chinnawat saying his ministers could do little in a coalition plagued by problems.

Phalang Tham resisted his appeals to stay on and share the responsibilities of a government with many tasks yet to complete. Awakening to the reality that Phalang Tham would not return, Mr. Banhan said the party must spell out its reasons for quitting.

It was a breach of convention to announce a pullout and leave immediately, said Mr. Banhan, contending Phalang Tham was still needed in the coalition.

Expressing concern the people would find the abrupt withdrawal difficult to comprehend, he again called on Mr. Thaksin for an explanation.

Brushing aside blame for economic ills, Mr. Banhan said the press had painted a gloomy picture; inflation was at a satisfactory level and efforts were being made to shrink the current account deficit.

He admitted the pullout had caught him by surprise. Mr. Thaksin appeared happy at a recent meeting of coalition leaders.

Denying his coalition was running a public faith deficit, Mr. Banhan said attitudes in Bangkok were not everything. "Ask people in 60 or so other provinces what they think. You can't possibly base your judgment only on Bangkokians. Bangkok does not represent the whole country."

Blaming the press for his popularity shortage in Bangkok, he said his good deeds had been distorted and his wife, Khunying Chaemsai, and daughter, Kanchana, had also been treated unfairly.

Miss Kanchana, a Suphan Buri MP, had just entered politics to devote herself to underprivileged children but would not seek re- election. "She has been discredited almost every day," he said of Miss Kanchana, who has been accused of profiteering in a land deal with the state.

Mr. Banhan said the Government was intact despite Phalang Tham's pullout.

Returning to the attack, he said the media discredited people who want to do good and played up conflicts in the Government while ignoring its achievements.

Mr. Banhan said he had helped lay the foundations for power decentralisation, restoration of marine resources and financial subsidies for communities. In Bangkok, he had succeeded in pushing mass transit projects.

Thailand: Banhan Administration's Handling of Economy Criticized

BK1508054596 Bangkok THE NATION in English 15 Aug 96 p A4

[Feature by Thanong Khanthong: "Banhan Sends the Bulls Fleeing"]

[FBIS Transcribed Text] Finance Minister Bodi Chunnanon sounded the alarm bell yesterday, following the bank licence fiasco, by warning that the political situation could deteriorate and damage the economy even further. By doing so, he went directly to the core of all problems that have beset the country.

Over the past six to seven years, Thailand has been blinded by surreal optimism. With easy access to credit, businessmen have continued to build projects that nobody wants. Consumers have also saddled themselves with staggering debts by putting their future incomes into hock. It will take a sudden reversal of economic fortunes to bring back a sense of reality. The feel-good era of the Thai economy is nearing its end. The politicians are destroying the country with their narrow mindedness and vested interests.

Following a spate of unbridled expansion, the Thai locomotive is losing steam. Projected economic growth has been sharply revised downward to 7.8 per cent this year. For the first time in a decade, the average eight per cent growth rate will not be met. This lacklustre growth is accompanied by political instability, inequitable income distribution, poorer environment, a slump in the stock market, bad loans, dismal corporate earnings, export sluggishness and other problems that keep cropping up.

Nonetheless, the difficulties engulfing Thailand at this juncture may be a blessing in disguise for it allows the people to step back and take a hard look at the system. "The difficult economic conditions have led more people to come to grips with reality, instead of being carried away by a sense of over-optimism," says a senior official at a regulatory agency. "Now we can clearly see all the problems sprouting from this sluggishness. " .

For the past two years, the stock market has been battered by a bearish sentiment, which has continued to prevail. The SET (Stock Exchange of Thailand) index has lost more than 20 per cent since peaking in February, wiping out more than Bt [Thai baht] 700 billion in market capitalization. Its performance reflects the real economic situation.

The real economy has slowed down because of poorer fundamentals, particularly due to falling export growth. This has raised a big question on the competitiveness of Thai exports. The persistent current account deficit continues to fuel concern over economic stability. The baht has recently come under fierce attack due to foreign investors' worries over the current account deficit. And in reality, the situation that the real economy has found itself in is due to this government.

Since taking over more than a year ago, the Banhan administration has proven that it is the worst ever that people in this country have seen. Even when a crisis befell financial institutions in the late seventies and early eighties, people still had faith that the government, or the regulatory institutions, could weather the storm. Although the problems now are not that bad compared with the baht devaluation in 1984, the present government's lack of credibility has only exacerbated the situation. The Bank of Thailand, whose main responsibility is to ensure economic stability, has sold its soul to politicians.

With this crisis of confidence, people are beginning to question the merits of democracy. More than Bt10 billion was spent in the last election to buy votes, which catapulted the Chat Thai-led coalition government to power. After more than 60 years of pretentious and free general elections, Thai-style democracy is coming to a halt. Political reform that aims to create a true democratic society is not going anywhere because no incumbent politicians are crazy enough to introduce legislations that will curb their chances of making a political comeback.

The shaky democratic system, which breeds this corrupt and inefficient government, is the basis of all the difficulties facing Thailand. There is an absence of political leadership and vision because most of the politicians in power are provincial lords, who take over the central government in order to increase their clout and advance their personal interests. If democracy is not reformed, it is going to further drag down the country, whose lofty goal is to ensure a higher standard of living for all Thais.

In hindsight, there were four dominant forces that created unprecedented wealth for some sectors of the Thai economy in the second half of the eighties and early nineties. With the economic boom in the Chatchai era, there had been a revaluation of assets not yet seen before. People who had money, or were smart enough to borrow from the banks, found that they could get rich quickly by simply buying land and selling it a few months or year's later at a hefty profit.

Those who hedged their fortune in shares during the heydays of the stock market boom also ended up as millionaires or billionaires. Those who were entrepreneurial enough to start up their business or joint ventures by taking advantage of abundant natural resources and cheap labour quickly moved up the economic ladder. Finally, success came to those who knew how to get around the bureaucratic maize like Thaksin Chinnawat, the telecom tycoon—in order to gain monopolies and concessions.

These forces are now obsolete. People who still continued to speculate on land and stocks have had their fingers badly burned. Thai manufacturers cannot rely on cheap labour now to compete with their rivals from Vietnam, Indonesia or China. Business monopolies are breaking apart, although the opportunities still exist for some well-connected businessmen.

"Now you can see that the name of the game has changed. To become successful in the future, management will be the keys," says Jim Stent, a senior executive at the Bank of Asia.

But how can Thailand sharpen its management skills to take on other rival countries in the region and beyond if the mother of all problems—democracy—is not redressed. This is the biggest challenge that is facing all Thais and they must start thinking of an appropriate response. There is no hope from the politicians. Now is the time to act.

Thailand: Financial Community's Views of Political Crisis Noted

BK1508060596 Bangkok BANGKOK POST (BUSINESS Supplement) in English 15 Aug 96 p 1

[Report by BUSINESS POST reporters]

[FBIS Transcribed Text] Economic stability is more important than the survival of the Banhan Government, the financial community believes.

The Banhan Government's credibility has fallen to its lowest level, and Prime Minister Banhan Sinlapa-acha should resign or dissolve the House of Representatives, say business people interviewed yesterday.

Following the pullout of the Phalang Tham Party from the seven- party coalition, the coalition now controls 208 seats in Parliament, only 12 seats higher than the minimum number a government needs.

However, the survival of the Banhan Government itself was not the concern of the bankers, financiers brokers and others questioned yesterday. They said the only thing that counted was the country's economic stability.

Because this government has no more credibility among foreign investors, their confidence in investing in Thailand has been greatly affected "and this is what concerns us most," said one of them.

They noted that the Banhan Government has been totally tarnished by corruption allegations, poor performance, unclear economic policies and intra-government and intra-party conflicts.

"It could be the first time in this country that the prime minister's credit is lower than that of a fugitive," said one banker — a reference to Rakesh Saxena, a fugitive in the Bangkok Bank of Commerce embezzlement case. Mr. Saxena has alleged that he contributed 300 million baht to Mr. Banhan during the election campaign last year, and many people tend to believe him despite the Prime Minister's denials.

Although they believed Mr. Banhan had only two options—resign or dissolve the House—they did not rule out other moves. "Thai politics can change any minute," said one.

Some suggested that Mr. Banhan might survive if he made a major reshuffle by ousting all poorly performing Cabinet members and appointing qualified people to take over.

But others ruled this out, saying it would be impossible for Mr. Banhan to win approval for sweeping changes from other parties in the coalition, given the quota system of Cabinet seat allocations.

A House dissolution would affect the country's economy "but nothing would be worse than (the current situation)," said one businessman.

Some bankers said a dissolution would have only a short-term effect on the economy, with improvement over the longer term.

The SET [Stock Exchange of Thailand] index yesterday responded to the political storm, falling 22.26 points (2 percent) to close at 1,088.08 on slim turnover of 3,086.20 million baht. Local investors, spooked by the Phalang Tham pullout, were heavy sellers.

Thailand: Government Urged To Probe Alleged Bank Licence Scandal

BK1508060696 Bangkok BANGKOK POST in English 15 Aug 96 p 12

[Editorial: "Bribe Allegations Should Be Probed"]

[FBIS Transcribed Text] The Cabinet's decision to "acknowledge" the Finance Ministry's decision on banking licences is not as bad as it seems. Mr. Bodi is more or less free to proceed. He should do so. Allegations of corruption should be investigated at the same time, but so far the evidence seems to be only hearsay.

Phalang Tham's withdrawal from the coalition has overshadowed the banking licence issue. In particular it has given the Cabinet's decision on Tuesday the appearance of a dreadful mistake. In fact, the decision itself was not so bad. What was wrong about the Cabinet meeting was the four-hour debate and the unsavoury statements that have been issued afterwards.

Finance Minister Bodi Chunnanon says his ministry is now free to issue the licences when it sees fit even though an investigation into corruption allegations is to be launched. Full endorsement from the Cabinet would have been better, but this is still a green light of a kind. It is up to Mr. Bodi to use it. He should do so quickly, in a matter of days or weeks rather than months.

At the press conference after Tuesday's meeting, Mr. Bodi started off well. This was the first full public account of the process that led to the decision to recommend granting new banking licences to three applicants — groups led by Italian-Thai Development, General Finance, and MBK [Ma Bun Khrong].

Mr. Bodi was clear and firm. His case was comprehensive and virtually unassailable. The rules had been set, the criteria were backed up with sound reasoning, six groups applied, five could have been given licences, but three were disqualified — those led by the War Veterans Organisation, SITCA [expansion unknown] and First City Investment — because they did not meet the agreed criteria.

The outcome was in Mr. Bodi's favour. There might have been problems if all six had qualified and the joint committee of senior central bank and Finance Ministry officials had to choose five of them. Then the dreaded quota system would have come into play with all the opportunities for fiddling with quota rent (alias corruption).

In the event, the incentive to give bribes turned out to be small, and Muan Chon leader Chaloem Yubamrung has still offered little to substantiate his claims of corruption. A justice minister and former policeman should do better than cite hearsay evidence.

Nevertheless, an investigation has been launched. From the point of view of proceeding with the licences, all that is needed is for the Counter Corruption Commission to make a phone call to Pol [Police] Capt. Chaloem's source. Give the source half a day to write a reply, if necessary, and Mr. Bodi should know where he stands. In all, he should not need much more than this week.

The only other legitimate grounds for holding up the three licenses would be if the original selection rules were wrong or if the rules were wrongly interpreted. The arguments on this score have been even weaker.

Then, having built up his solid case in Tuesday's press conference, Mr. Bodi faltered. He tried to launch into a convoluted detour instead of stating clearly how long we was prepared to let the investigation delay the licences. This attempt to avoid the issue was quite unnecessary. After all, the selection process has been completed with Cabinet endorsement.

Bribery can and should be investigated vigorously and separately. If the charges are substantiated, individuals can be prosecuted and banking licences can be withdrawn. But the licences should not be held up any longer unless firmer evidence of corruption comes to light.

Vietnam

SRV: Lao People's Party Officials Visit

BK1508005896 Hanoi VNA in English
1440 GMT 14 Aug 96

[FBIS Transcribed Text] Hanoi VNA Aug.14 — A delegation of the External Relations Commission of the Lao People's Revolutionary Party (LPRP) Central Committee led by Sunthon Saynhachak, head of the commission, has paid a nine-day working visit to Vietnam.

During the visit, the Lao guests were received by Nguyen Van Son, member of the Communist Party of Vietnam Central Committee and deputy head of its Commission for External Relations.

The Lao delegation also had working sessions on issues of common concern with some departments of the host commission.

Then Lao delegation called at several localities where they were warmly received by local party officiaqs. The guests expressed their admiration for Vietnam's achievements in its renovation process and wished for further consolidation and development of the special cooperation between the two parties and nations.

SRV: Lao Party Delegation's Activities Reported

BK1408164996 Hanoi VNA in English
1434 GMT 14 Aug 96

[FBIS Transcribed Text] Hanoi VNA August 14 — A delegation of the External Relation Commission of the Lao People's Revolutionary Party (LPRP) Central Committee led by Sunthon Saynhachak, head of the commission, has paid a nine-day working visit to Vietnam.

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SRV: Deputy Prime Minister Appreciates ADB's Cooperation

*BK1508003896 Hanoi VNA in English
1447 GMT 14 Aug 96*

[FBIS Transcribed Text] Hanoi VNA August 14 — Deputy Prime Minister Tran Duc Luong has highly appreciated the Asian Development Bank [ADB] cooperation with Vietnam as well as other countries in the Mekong River Subregion over recent years.

He was speaking at his reception here this afternoon of Mr. Morita Naritada, coordinator of the ADB's economic cooperation program in the Mekong River Subregion, now on a visit to Vietnam.

"Vietnam has always attached great importance to the fine relationship and effective cooperation with ADB and hopes to see closer and more effective cooperation with it," the Vietnamese Deputy Prime Minister said.

Mr. Luong also said that Vietnam welcomed the interest shown by international organizations and foreign countries in the development of Indochina and wanted to have closer coordination in identifying and carrying out feasible development projects. Vietnam highly values initiatives and goodwill of these international organizations and countries and will be ready to cooperate with countries in the region to implement the programs, he added.

Mr. Morita briefed Deputy Prime Minister Luong on results of his working sessions with Vietnam's Ministry of Planning and Investment, and consulted with Vietnamese senior officials on the ABD's invitation of ASEAN members and Indochinese countries to the meeting of the ADB's economic cooperation program for the enlarged Mekong River Subregion to be held in Kunning, China.

SRV-Australian Ties Reviewed Before Fischer's Visit

*BK1408125196 Hanoi Voice of Vietnam in English
1000 GMT 14 Aug 96*

[Station commentary]

[FBIS Transcribed Text] Australian Deputy Prime Minister Tim Fischer will start his visit to Vietnam on Thursday. At this time last month, Australian Foreign Minister Alexander Downer visited Vietnam. These events showed the promotion of relations between the two countries.

Mr. Fischer said his Vietnam visit is aimed at promoting bilateral relations and supporting Australian commercial activities. In Vietnam, he will meet with Vietnamese leaders and call at major economic establishments in Vietnam.

During the Australian foreign minister's visit last month, he and his Vietnamese counterpart stressed that both governments would continue promoting economic and trade ties. This time, Mr. Fischer and the Vietnamese leaders will discuss concrete ways to carry out the goals of two governments.

Last year trade turnover between the two countries was about $417 million. Australia is one of the ten biggest investors in Vietnam, with 58 projects involving a total capital of $817 million. There has been considerable development in cooperation between the two countries in many aspects. Since taking power, the National Liberal Coalition Government of Prime Minister John Howard affirmed its continuation of relations with Vietnam.

Speaking in Hanoi in July, Australian Foreign Minister Downer said his country pays much attention to its relations with Vietnam, a country with increasing international and regional relations and successfully managing its market economy. He stressed the belief that relations between Australia and Vietnam would be further developed.

SRV: Cambodian Official Expresses Appreciation for Help

*BK1308160196 Hanoi VNA in English
1509 GMT 13 Aug 96*

[FBIS Transcribed Text] Cambodia's National Assembly Chairman Chea Sim has said that the Cambodian people have always appreciated Vietnam's help to save them from Pol Pot genocide.

The Cambodian leader was speaking at a reception in Phnom Penh this afternoon of a delegation of the Vietnam National Assembly led by head of its office Vu Mao currently on a visit to Cambodia since 12 Aug.

"In the recent times, the Cambodian Royal Government has broadened its relations with all countries in the region and elsewhere the world, and intensified its bilateral and multilateral cooperation. Cambodia and Vietnam, thereby, should promote their comprehensive relationship for the benefits of both countries," he said.

"All differences between the two sides can be solved peacefully," he stressed. "The people of the two countries have shared sympathy with each another. Especially those who live along the common border have established the age-old relationship."

Vu Mao, who is also president of the Vietnam-Cambodia Friendship Association, said "the Vietnamese party, state and National Assembly wish to develop the all-round relationship with Cambodia. The two legislative bodies should together with their respective governments work for closer relations between the two nations.

Later today, the Vietnamese delegation met with Cambodia's National Assembly Vice Chairpersons Loi Sim Chieng and Sansube, and other Cambodian parliamentarians.

Earlier, it met with a delegation of the Cambodia-Vietnam Friendship Association.

SRV: Table of Contents of Party Journal No. 5, Mar 96

963E0019A Hanoi TAP CHI CONG SAN in Vietnamese Mar 96 No 5, p 1

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[FBIS Translated Text]

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SRV: Commander on Major Border Defense Tasks in Current Situation

963E0019F Hanoi TAP CHI CONG SAN in Vietnamese Mar 96 No 5, pp 48-50

[Article by Colonel Pham Huu Bong, Border Defense Force deputy commander: "Border Defense Tasks in New Situation"]

[FBIS Translated Text] Border defense tasks always occupy an extremely important position in national defense. It not only protects the borders and border markers, firmly maintains national territorial sovereignty, and ensures public order and security at the borders and on the sea, but also contributes to firmly maintaining political stability and creating a favorable environment for the country to broaden its cooperation with and integrate into the international community in economic, cultural, and social construction and development in order to keep pace with the general development of our time.

Recently, the important and comprehensive achievements of the renovation undertaking in national defense and construction have extricated our country from socioeconomic crisis and created many favorable conditions; however, not a few new difficulties have also cropped up. Taking advantage of our state's open-door policy, the enemy has regularly infiltrated into our border areas, our seas, and our offshore islands to establish contact and cause trouble in an attempt to weaken our nation and to obstruct its advance. Hostile forces have feverishly carried out "peaceful evolution" by gathering forces in a open, formal manner with the aim of opposing and sabotaging us in many fields. The situation at the borders, on the sea, and on the offshore islands has developed in a complicated fashion, and has become very tense at times. Against that background, in our border defense tasks we have acquired a profound understanding of the party's line and policy and the state's laws, promptly renovated our positions and countermeasures, stepped up our mass motivation work, strengthened our all-people national defense system, effectively struggled against the enemy's "peaceful evolution" scheme, checked and repelled land-grabbing activities and violations of our national sovereignty, resources, and interests on land as well as on the sea and offshore island, firmly defended our territorial sovereignty, improved our friendly relations with neighboring countries, and built borders of peace and cooperation. Political security at the borders has been firmly maintained, preventing the occurrence of unexpected incidents; the struggle against smuggling and various social evils has become increasingly effective. State management of national borders has continued to be strengthened, creating favorable conditions for and reducing inconveniences to the people, and satisfactorily serving our national open-door and economic development policy. The application and enforcement of laws in the struggle to defend our sovereignty and security at the borders and on the sea has made substantial progress. Our combination of border defense tasks and participation in the implementation of various socioeconomic programs at the borders and on the sea and offshore islands has had the effect of enhancing the quality of the all-people national defense system, firmly maintaining the people's confidence, and consolidating national unity. The mass movement to take part in defending territorial sovereignty and combating crime has substantially changed in content, form, and measures, yielding practical results. It can be said that, over the past years, in carrying out national defense tasks we have satisfactorily fulfilled our duty to safeguard our sovereignty and security at the borders and in the sea areas of the fatherland, thereby making worthy contributions to the common achievements of the national renovation undertaking.

In the days ahead, the world and domestic situation will undergo rapid, complex, and unpredictable changes. Next to the trend toward peace, stability, cooperation, and giving priority to economic development, the struggle to establish a new world order between the big powers themselves and between the big powers and national independent countries is proceeding bitterly; and ethnic and religious conflicts and disputes between nations over territorial sovereignty and national interests are taking place in an extremely fierce and complicated manner, threatening world and regional stability and each country's security....

For Vietnam, the achievements of the renovation undertaking were and are creating a new situation and strength both at home and abroad for us to enter a new period of development. Our country's relations with other nations in the world have been broadened to an unprecedented level. Our capability to firmly defend national independence and sovereignty and to integrate into the world community has improved. But the dangers identified by the party remain major challenges.

In the national defense and security domains, the situation has undergone many complicated developments. Hostile forces have attempted to carry out their "peaceful evolution," and rebellious, subversive schemes to abolish the socialist system in our country. They advocate quick and deep economic infiltration and causing political unrest while continuing to prepare forces and seeking ways of and excuses for intervening militarily when an opportunity presents itself. Especially, in 1996, the year when local party congresses and the Eighth National Party Congress are held and the 1996-2000 five-year plan is launched, hostile forces will intensify their opposition to and sabotage of the Vietnamese revolution. By means of combined and sophisticated measures and using economy as a spearhead coordinated with political and ideological attacks, they will infiltrate deeply into our internal ranks to undermine them. They will use conversion from within as the main effort and combine it with rebellion and subversion to oppose and sabotage our country; in the immediate future, they will try to sabotage our grass-roots party congresses.

Meantime, the task of safeguarding our sovereignty and resources on the sea, on the continental shelf, and at the borders has also become very complicated because several factors have not yet really stabilized. The struggle against economic and criminal offenses, cross-border and sea smuggling, for the maintenance of public order and security, and against social evils is also a pressing, complicated problem in many respects.

The border defense tasks in the new situation are very heavy and complicated. We have to defend our land and sea borders while safeguarding our national sovereignty and territorial integrity, preserving political security and public order and safety, protecting our national resources, opposing unlawful intrusions, suppressing cross-border smuggling, and building borders of peace, friendship, cooperation, and development with neighboring countries. Thus, border defense tasks essentially call for close coordination among national defense, security, and diplomacy at the borders to actively deal with the situation both in peaceful conditions and in case of unexpected developments. They also call for combining the defense of independence and sovereignty with the creation of proper conditions for broadening external relations of cooperation to serve the cause of national development. The border defense disposition must be carefully prepared in terms of both position and force.

On the basis of a thorough understanding of the all-people, comprehensive viewpoint in national construction and defense, in the days ahead border defense will have the following main tasks:

First, opposing "peaceful evolution," rebellion, and subversion is the primary pressing task and must be closely combined with the task of safeguarding our sovereignty over the borders and sea areas and offshore islands and the task of standing ready to cope with unforeseen eventualities. We should be responsive to be in control of the situation in the borders areas, guard against being passive and caught by surprise, consider firmly maintaining internal stability to be the main task, and, at the same time, actively and effectively check infiltration from without. We must attach utmost importance to firmly maintaining internal security and defending the party, the administration, and the people. We should take the initiative in discovering and satisfactorily resolving contradictions among the people, especially in the key areas and the localities inhabited by ethnic minority and religious groups; we should consolidate the great national unity and foster solidarity between the Army and people and between the people and the party and administration. We should attach special importance to building party bases, local administrations, and contingents of hamlet and village chiefs, hamlet military unit chiefs, public security agents...in the highland villages and hamlets to develop strong activist forces in border areas. We should closely coordinate and cooperate with the forces permanently stationed at the borders; actively rehearse plans to cope with various eventualities; firmly maintain political security and public order and safety at the borders and in the sea and offshore islands.

Second, we must resolutely defend national independence, sovereignty, territorial integrity, and interests, and foster relations of peace and friendship at the borders with neighboring countries. We must hold fast to the motto "cooperate and struggle simultaneously," "door opening must be accompanied by door guarding," and "friendship must go hand in glove with firmly maintained sovereignty." Measures and forces must be closely coordinated and concrete plans formulated to prevent and roll back all violations of our sovereignty at the borders and on the sea and offshore islands. We must correctly implement the party's external policy, hold fast to principle, and show patience and cleverness in struggle. We must act with restraint, remain alert, guard against being deceived by extremist elements' tricks of provocation, and prevent conflicts and confrontations from taking place; but should conflicts and confrontations occur, they must be quickly and neatly resolved to mitigate and limit their consequences and create favorable conditions for diplomatic struggle; talks must be closely combined with diplomatic struggle at all levels along with the coordination of on-the-spot forces to oppose actual land-grabbing activities. We must deploy and use appropriate forces at each line; the struggle against each kind of target at each point must be carried out in strict accordance with established policy, with the law, and with the people's wishes, and in a way that is beneficial to our diplomatic efforts.

Third, we must enhance the effectiveness of state management of the national borders and firmly maintain the state law and order at the borders and in the sea areas. Agreements signed with other countries and border regulations must be seriously implemented. Emigration and immigration and entry and exit activities at the borders must be strictly managed. The Border Defense Force must serve as the staff of the administration at various levels to help it satisfactorily perform its state management function concerning the borders, the sea areas, and the offshore islands. Administrative reform regulations must be satisfactorily implemented in control work to avoid causing trouble to the people. There must be close coordination between various forces to effectively struggle against political, economic, and criminal offenses and smuggling at the borders and on the sea. In struggling against these offenses, we must hold fast to and correctly apply laws and policy as well as international practices and conventions.

Fourth, we must step up and actively participate in implementation of socioeconomic development plans in the border areas to build up potential for an ever stronger all-people border defense disposition. In carrying out border defense tasks, we must actively motivate the masses to implement the various socioeconomic programs designed for mountain regions, sea areas, and offshore islands, with the aim of improving the people's standard of living, elevating their cultural level, and developing democracy. We must concentrate on dealing with pressing problems concerning the people's living conditions and solving contradictions among the masses. On this basis, we will firmly maintain the people's confidence, build strong political bases, organize the masses to safeguard sovereignty and security at the borders and to firmly maintain public order and safety in the border areas and on the sea. We must thwart hostile forces' attempts to win over the masses.

Fifth, imbued with the positions, lines, and policies of the party and state, and on the basis of bringing into full play the strength of the entire people and political system, we must renovate and comprehensively and uniformly carry out border defense tasks in the new situation. Building and defending national borders is a common task for the entire party and people, for all sectors and levels, for the state and mass organizations, of which border defense troops are the activist force. To be capable of playing that activist role in defending and managing the national borders, and to meet the requirements of the aforementioned tasks, the Border Defense Force should be strengthened in accordance with the guideline that it must be *revolutionary, standardized, well-trained, and modernized step by step*. It must also be of high quality, have appropriate troop strength, be rationally organized, and entrusted with well-defined functions and tasks. To really serve as the activist force of the all-people national defense system, the contingent of border defense cadres and combatants must be politically steadfast, have fine military and professional standards, show a firm grasp of border laws and regulations, speak foreign languages and the dialects of the ethnic minorities in the areas where they are stationed, and satisfactorily carry out mass motivation work.

The key, decisive issue is that in any eventuality we must be able to maintain the people's confidence and the great national unity. On the basis of the all-people national defense and people's security system, we must make every effort to strengthen a strong all-people border defense system, thereby creating an aggregate strength to firmly protect our sovereignty and security at the borders and on the sea and offshore islands of the fatherland, to serve the open-door policy and economic development undertaking, and to advance the country to the era of industrialization and modernization.

SRV: President Instructs Journal To Hold Firm on Ideology

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[Unattributed report: "President Le Duc Anh Presents Tet Greetings to the Editorial Staff of TAP CHI CONG SAN"]

[FBIS Translated Text] Amid the atmosphere of the entire country enthusiastically congratulating the party, celebrating springtime, and looking forward to the Eighth Party Congress, on the morning of 17 February 1996 (that is, two days before Tet of the Year of the Rat), Comrade Le Duc Anh, member of the Political Bureau [of the Communist Party of Vietnam Central Committee], and president of the SRV, called at the office of the TAP CHI CONG SAN editorial staff to present his Tet greetings to the workers of the party's theoretical and political journal. He solicitously inquired about their work, their health, and their living conditions, and wished the journal success in the new year in continuing to bring into play its glorious tradition and satisfactorily fulfill the tasks entrusted by the party and people. Comrade Le Duc Anh recommended: "Doing theoretical work is a very difficult task; in the current situation, this task is particularly difficult. The responsibility of TAP CHI CONG SAN is very weighty. The journal should closely follow the party's viewpoints and lines; hold firm to Marxism-Leninism and Ho Chi Minh Thought; delve deeply into and review realities, especially in those issues in which there still remain entanglements, in order to find good experiences and effective ways of doing things, thereby contributing to clarifying the various theoretical and practical issues of the Vietnamese revolution and taking our country step by steady step forward in accordance with the socialist orientation.

On behalf of the brothers and sisters working in the editorial staff of TAP CHI CONG SAN, Comrade Nguyen Phu Trong, editor in chief of the journal, expressed their elation and emotion at President Le Duc Anh's thoughtful concern and their heartfelt gratitude for the unexpected joy he gave the journal (the president called without advance notice), considering it a great honor and encouragement for the workers of the party's theoretical review. Comrade Nguyen Phu Trong promised President Le Duc Anh that they would strive to satisfactorily heed the party's and state's instructions to steadily improve the quality of TAP CHI CONG SAN so as to meet the increasingly exacting demands of the revolution and people.

SRV: Journal Chief Comments on Vietnam's Way to Socialism

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[Article by Nguyen Phu Trong, TAP CHI CONG SAN editor in chief, M.A., associate professor: "Socialist Orientation and Vietnam's Path to Socialism"]

[FBIS Translated Text] *Socialist orientation and Vietnam's path to socialism* is a very basic and important theoretical and practical issue affecting all our ideological and theoretical activities at present. It not only bears on our perception of and our will for revolution, but also on our line, policy, and measures to achieve it. It is not only a matter of the communists' ideals and objectives and the country's direction of advance, but also a matter of treasuring the past, carrying on the undertaking of the preceding generations and the sacrifices made by tens of millions of people and by the entire nation that has fought for over 50 years on end. It is posing a great many problems that should be studied, explained, interpreted, and resolved, both in the general orientation and in the specific one for each domain. In his opening address at the Ninth Plenum of the Seventh Party Central Committee, Comrade General Secretary Do Muoi clearly pointed out: The central issue that we should concentrate on studying and clarifying at present "is the question of continuing to supplement and developing our conception of socialism and our country's path to socialism." At the ceremony marking the 65th anniversary of TAP CHI CONG SAN, Comrade Dao Duy Tung also emphasized that this is a very basic orientation that our theoretical and ideological organs should deeply study and clarify.

However, the subject that we are discussing is so broad and complex that it requires several ways of studying, painstaking research, and a profound review of realities, especially the problems concerning specific models and solutions. There are issues from which we can draw conclusions now, but there are also others from which no conclusion can be drawn yet because realities are changing; there are tasks that are being carried out while we are still in the process of groping for solutions and seeking experience.

As we all know, socialism is often viewed in three ways: socialism as a *doctrine*, socialism as a *movement*, and socialism as a *system*. As a system, socialism also has several different forms and appearances. The socialism under discussion here is scientific socialism based on the Marxist-Leninist doctrine and Ho Chi Minh Thought. In the past, when the Soviet Union and the socialist camp were still in existence and when the three revolutionary currents were on the offensive, the issue of advancing to socialism in our country needed no discussion: it was tacitly assumed to be already affirmed. But since the Soviet Union disintegrated, since the socialist system in many countries collapsed, since the world revolution fell into a decline, since capitalism managed to adjust and adapt itself, and since "dragons" appeared around us..., the question of advancing to socialism in our country has apparently been put on the carpet again. Some people have really wavered in their path of advance. Although the *Platform* of the party and the *Constitution* of the state have affirmed the socialist objective and the path to socialism in our country, not a few people are still undecided and uneasy in their minds.

Some contend that "there is no need to take the socialist road; any ideology will do, provided we enjoy a decent life," that "we should not meet trouble halfway," and that "if a country as powerful as the Soviet Union has failed, can we build socialism ourselves?" What is socialist orientation? Is there socialist orientation in our country yet? Some comrades have bluntly said: Why should we keep talking and worrying about being off the line while there is no well-defined socialist orientation yet? Why should we worry about being off the line when we have not yet got down to business?

On the contrary, some people believe that at present we have already leaned toward the capitalist road, that "we pay lip service to socialism but we are actually developing capitalism," and that we are "red outside but blue inside" because we also apply the market mechanism and even allow private capitalism to develop, and because there are countless incidents of negativism in society, the rich and the poor are being driven apart, morality is on the decline, social evils are rampant, exploitation and injustice are surging again....

Many well-meaning people are worrying about whether we can advance to socialism at all. The Soviet Union has disintegrated, the socialist camp is no more, there is neither moral support nor material assistance, and faith in socialism is waning alarmingly. Meanwhile, the enemy is taking advantage of the situation to fiercely oppose and sabotage socialism in an attempt to eliminate it; the old generation of cadre is gradually "departing," one wonders if the succeeding ones will be remain steadfast and persist? And so forth.

Obviously, those uneasy feelings are real. Therefore, at this juncture, it is extremely important to hold discussions to shed light on scientific bases with the aim of contributing to clarifying our party's theoretical viewpoints and, at the same time, developing and supplementing the conclusions already drawn. On this basis, we will achieve unity of perception and persist in our position. Any vacillation, wavering, or miscalculation in the current situation may lead to the country's decline and affect our system's existence; history will certainly not forgive such mistakes .

Why Do We Persist in the Path to Socialism?

Under the effects of their pessimism and vacillation caused by the collapse of the socialist system in the Soviet Union and East Europe, and dazzled by the development of modern capitalism, some people have suspected the scientific and correct character of socialism. Proceeding from such suspicion, they contend that we have chosen the wrong road and that we should take another road—the capitalist road or "the third road," "the democratic socialist road." Some people have spoken out in unison with hostile lines of argument, openly criticizing socialism, one-sidedly extolling capitalism. They claim that the Communist Party of Vietnam [CPV] is being conservative, that it is carrying out half-baked renovation, that a socialist-oriented market economy is a contradictory in terms, and if we have to embrace socialism at all, it must be a kind of "non-Marxist socialism"! Some people have even repented having pinned their faith in Marxism-Leninism and the socialist path.

Our party has time and again asserted that the objective and ideal of the Vietnamese revolution are successfully to build socialism in our country. In reality, throughout the past 66 years, the CPV has led the people in struggling and making sacrifices for that goal. Recently, in view of the collapse of realistic socialism in a number of counties, our party has continued to persist in its principled position. That affirmation has greatly annoyed and irritated hostile forces, which are seeking by all means to change our stand and force us into the orbit of capitalism.

We understand that choosing an objective and a direction is not a task that can be carried out arbitrarily, nor is it a matter of feeling or subjective will; in fact, this is a very serious scientific question, a sacred responsibility to the country and people. If we persist in the socialist path despite our understanding that this is an extremely demanding and complicated cause and that socialism is currently on the decline, it is because this path to development is in accord with the objective laws. There certainly must be a better society after capitalism. For a long time now we have called that system communism, with socialism being its initial stage.

Mankind once dreamed of a better society: Buddhism longed for nirvana, Christianity yearned for paradise, Frenchmen once had visions of Fourier-style [Francois-Marie-Charles Fourier, 1772-1837, French sociologist and reformer] or Saint-Simon-style socialism.... But those were just impossible dreams because they were based only on feeling. Not until the advent of Marxism were the scientific basis of and objective laws governing social development defined for the advance to scientific socialism, a social system built on the basis of absolute emancipation of the toiling class, society, and man.

In fact, over the past 70 years and more, despite the flaws of the ideology itself and people's subjective mistakes, realistic socialism in the Soviet Union and East Europe still clearly demonstrated its vitality and superiority inherent in its nature. Those were the building of good relations among people, the caring for people's well-being, the creation of collective strength to defeat fascism, and the efforts to build increasingly equitable, prosperous, and powerful nations. Nowadays many people in the East European countries and the (former) Soviet Union are deeply regretting those good old days. And perhaps that was the reason why the communist and leftist forces in those countries had regained public confidence in recent elections.

In our country, right after its coming into being, in its *Abridged Political Platform*, our party had clearly stated its policy of "carrying out a bourgeois civil-rights revolution and an agrarian revolution in order to advance to communist society." *The 1930 Political Platform* affirmed: "We will carry out a national people's democratic revolution under the leadership of the working class and advance to socialism, bypassing the capitalist stage." It can be said that linking national independence with socialism was an objective set right at the beginning and quickly became the red thread running through our party's line and the law of the Vietnamese revolution. *The 1991 Political Platform* once again draw the following conclusion: "Holding fast to the banner of national independence and socialism is the lesson permeating through the course of our country's revolution. National independence is the prerequisite for achieving socialism, and socialism is the basis for firmly ensuring national independence." If we do not link national independence with the socialist objective, we will not be able to mobilize the largest force of the nation, namely the various classes and laboring people of various strata right in the course of the struggle for national independence. Conversely, if we have regained national independence but do not determine the direction of advance to socialism and take another road, then we would be ungrateful to the generations that have fought and made sacrifices for that ideal, would hand over the revolutionary gains to other forces whose interests are opposite to the people's, and most importantly, would not be able to ensure national independence itself. To us, real national independence must be independence in all the fields of politics, economics, culture, and diplomacy; furthermore, all oppression and exploitation must be abolished.

National independence must be inseparably linked with liberty, equality, and justice, and free of foreign intervention and enslavement, all of which can be ensured by socialism only. Only socialism can eradicate the state of exploitation of man by man. Socialism means *liberation* and *development; liberation for development*; and *development for fuller liberation.*

Why Don't We Take the Capitalist Path?

First of all, we must admit that capitalism is a miraculous phase of development, an achievement of mankind's civilization. In a poor country like Vietnam, anyone who has had a chance to visit capitalist countries has great admiration for the development of production forces, the level of civilization, and the modern techniques of capitalism. Capitalism still has not a few temptations and an attractive appearance. But we have not chosen capitalism as an objective to be achieved for the three following reasons:

First: The current era is not that of capitalism, and definitely not the "era of transition from socialism to capitalism" as some people have said jokingly; it is the era of transition from capitalism to socialism worldwide. According to the laws of social evolution, capitalism will be inevitably negated. That is an objective trend, the flow of history. To stop would mean to go backward. There is no reason why we should go back to building primitive capitalism, that is, back to rounding up people, seizing land, and engaging in mass appropriation of wealth to achieve primitive accumulation as capitalism once did. In this day and age, such things are no longer permissible. Moreover, at present capitalism itself is creating the material and technical premises for the switch to the era of socialism. The collapse of socialism in the Soviet union and East Europe should not be cited as a fact to prove that the present time is not that of a transition to socialism. The recent setbacks of socialism, though very painful, were only temporary.

Second: It is not absolutely necessary for all development to take place that all development take place in succession according to the "natural course of history" as some people are simplistically and one-sidedly emphasizing this idea of Marx. What Marx said was a general observation, a common basic law; he did not rule out the cases where a revolution undergoes sudden, leaping development.

Some people contend that the Russian October Revolution was premature, voluntaristic, and contrary to the laws; that it was wrong for Russia to advance to socialism when its productive power was still weak, and that this was the cause of the Soviet Union's failure. This is also not true. Lenin once rejected that way of thinking and line of argument. He said: Where did you read that thesis? Why should we wait for productive forces to develop first? Why don't we seize power and then use progressive power to create new productive power? Even Marx and Engels once said that a farmer revolution might break out in Nga in coordination with the revolutionary movement in the West.

At present, it is true that our productive forces in our country are still weak, very weak compared with those of the developed capitalist countries, but we have a progressive administration and the Communist Party as leaders; moreover, we are in the era of a transition to socialism. So, why should we stop at capitalism? We know that this is going to be an undertaking that is infinitely more difficult for an economically and technically underdeveloped country advancing from a backward agriculture, but we are in a position to bypass capitalism. *What we are bypassing is exploitative capitalism, not the development of productive forces.* We already have the necessary domestic political, economic, and cultural conditions as well as proper external conditions, namely the era of development, the speedy advance of the scientific and technological revolution, the worldwide trend toward multilateralization and internationalization, and the readiness of many friends to share our burden and to help us.

We must fully exploit all opportunities and seek by all means to develop the productive forces as we are doing now, including learning from capitalism, employing various forms of capitalism, inheriting the achievements of capitalism, and even making use of capitalism to build productive forces for socialism. But we do not embrace the capitalist system, do not develop productive forces at any price, and do not allow capitalists to ruthlessly exploit workers or to beat and abuse laborers. On the contrary, we must take care of and protect laborers, strive to restrict exploitation, and achieve social justice step by step. Right in the current initial stage and in the process of creating productive forces, we must pay attention to ensuring social justice and care for the livelihood of laborers. That is a big difference from the capitalist system.

Third: In fact, although capitalism recently made adjustments and fully exploited the new achievements of the scientific and technological revolution to adapt, to reconcile contradictions, and to improve, basically it still cannot solve the inherent, chronic contradictions in its nature. Those are contradictions between increasingly broader socialization of production (to the multinational and supranational level, regionalization, and internationalization), with private appropriation of the means of production (which are concentrated in the hands of a handful of big tycoons). The contradictions of capitalism have even become much more acute than before.

The state of competition, big fish eating little fish, differentiation between the rich and the poor...have steadily grown in fierceness; society is full of negative practices and injustices; morality is decaying.

The United States itself, which calls itself the world's richest and most civilized country, is where the most social evils are found. According a newly released U.S. document, 20 percent of the population who are rich people own 85 percent of social wealth while 80 percent of the population who are poor share the rest; 35 million people live under the poverty line; more than six million people are unemployed; and violence, robbery, child kidnapping, a decadent lifestyle, and incest are of frequent occurrence. There are 200 million guns among the people throughout the United States; each day nearly 100,000 students carry guns to school; and women school teachers giving low marks to students face death threats. In every five persons there is a child who does not know who his or her father is; 80 percent of marriages end in separation....

In Japan, where the economy has developed at a "miraculous" pace, the growth rate has slackened in recent years, and even recession has occurred. In 1993, the GDP growth rate was -0.5 percent; in 1995, it inched up, but still did no better than 0.5 percent. Under the "economic hollow-out" and competition policy, thousands of small enterprises have gone bankrupt, hundreds of directors have committed suicide, tens of thousands of workers have been laid off, thousands of others have died at their workplaces because of overwork. The country has fallen into political instability, prompting the replacement of four prime ministers within three years. In an address delivered before the Japanese Parliament on 22 January, the new prime minister of Japan, Mr. Hashimoto admitted that the "Japanese economic situation is very gloomy at present" (according to RFI and BBC on 22 January 1996).

What about a number of newly industrialized countries [NIC's] and the "dragons" of Asia? In a newly published 426-page book entitled *"Imperiled Dragons: The Economic Miracles of Asia in Crisis"*, the authors Wandel Bellow and Stephanie Rosenfeld of the San Francisco Grain Policy and Development Research Institute say: "The South Korean model of development is crumbling," "Taiwan is in trouble," "Singapore is tottering." If these countries do not carry out reforms and change their strategies, they may be thrown back to the Third World. According to press reports, in South Korea recently many social scandals were exposes, some former presidents were jailed, the streets were full of policemen....

Throughout the world, because of inequality in wealth ownership and distribution, the gap between the rich and the poor is widening; 20 percent of the richest countries account for 82.7 percent of the world's income, while 20 percent of the poorest ones receive only 1.4 percent of that income. At present, about 1.3 billion people are living in absolute poverty and 1.5 billion others receive no basic health care. Many African countries are faced with horrendous hunger and overwhelmed with enormous debts. Of the nearly 200 capitalist countries only a few dozen have attained a high level of development. A total of 37,000 multinational corporations and their 170,000 subsidiaries are spread out over all the continents, holding sway over the world and getting ever richer by exploiting underdeveloped nations. Even the late French President Francois Mitterrand had to admit that free market economy cannot solve social problems. (Speech delivered at the Conference of Heads of State held in Copenhagen, Denmark, in March 1995, to discuss social issues).

Obviously, capitalism is not totally good as extolled by some people; it is not the developmental trend of our time, therefore, it is not a model for us to emulate.

Is There Any Other Path?

The answer is: *No!* There is no other path! It is either socialism or capitalism. There is no third path. To reject the socialist path means to switch to the capitalist path. Some people also ask: Why don't we take the *good features* of capitalism and combine them with the *good features* of socialism to create a third path? At first glance, the argument seems rational and attractive, but in fact it is just a sophistry used to defend capitalism and to encourage people to take the capitalist path in disguise, because taking the socialist path already necessarily implies inheriting and developing the achievements of capitalism. Socialism came into being on the basis of the development of mankind's civilization, or as Marx put it, socialism "originated from capitalism."

There are also people who ask: Why don't we take the democratic socialist path? At present a number of parties have switched to the democratic socialist stance, and some countries have nurtured the democratic socialist tendency. There is something good in that trend, isn't there? We have already known the nature of the democratic socialist parties: they have both positive and negative sides. Recently, a number of democratic socialist countries have adjusted their social policies, have paid greater attention to the livelihood of laborers, and have somewhat reconciled their social contradictions, but all that was only aimed at consolidating, shielding, and protecting the capitalist system. Their reforms are still reformist in nature, still enclosed in the framework of capitalism, and have yet to touch the foundations of capitalism. The basic contradiction of society have not yet been solved. The democratic socialist model still relies on the system of capitalist private ownership, free market mechanism, and political pluralism. The ruling power remains in the hands of the bourgeoisie, which continues to ruthlessly exploit surplus value to serve the interests of their minority class.

In short, socialism is our choice, and there is no other choice. That choice is correct, scientific, and in accord with the laws. History had solved this selection problem as early as the 1920's of this century. If there is anything else to be done about this matter, it is only to reiterate and reaffirm our choice in a more rational manner on the basis of fresher, deeper perception. At that time, after engaging for a long time in revolutionary struggle, Uncle Ho drew the following conclusion from his review of realities: *"To save the country and liberate the nation, there is no other path than the path of socialist revolution"; "only socialism and communism can liberate the oppressed nations and the working class throughout the world."* Marxism-Leninism helped Uncle Ho find that path, which explains why he was so happy and excited when he came upon Leninism—as happy and excited as a thirsty traveler who finds water. Uncle Ho considered Marxism-Leninism as the "magical guidebook," the "compass," the "wisdom" of our party. Detractors of socialism, Ho Chi Minh Thought, and Marxism-Leninism are deliberately forgetting that fact.

Naturally, the question is not simply a choice of objectives and ideals, nor is it the will to persist in those objectives and ideals. What is even more important is that we must know how to make calculations and find truly scientific, wise, and creative measures, steps, and methods to achieve at all costs the set objectives and ideals. Moreover, the socialism of our choice is not the kind of socialism that had been misunderstood and incorrectly applied in the past; it is real socialism, a socialism that has been correctly renovated. At present we already have at our disposal a basic orientation and basic solutions for our advance to socialism. There are the six basic characteristics and seven major guidelines stated in our party's Platform; there are a series of Political Bureau and Central Committee resolutions; and there are the Constitution, laws, and numerous major positions and policies of our state. However, we still lack many concrete forms, steps, and ways of doing things, especially concerning the problems of development of the state economy, renovation of cooperatives, state capitalism under various forms, joint-stock companies, promotion of economic growth while ensuring social progress and justice, the socialist law-governed state, democracy in the conditions of market economy, a single leadership party.... It is our responsibility to quickly find solutions to those concrete issues.

SRV: Official Comments on Role of Politics in Socialist Orientation

963E0019E Hanoi TAP CHI CONG SAN in Vietnamese Mar 96 No 5, pp 18-20

[Article by Le Huu Nghia, MA, associate professor, deputy director of Philosophy Department at the Ho Chi Minh National Political Institute: "Role of Politics in Affirming Socialist Orientation"]

[FBIS Translated Text] A number of opponents to the socialist path often argue that realistic socialism has collapsed, that socialism does not exist yet, and that no one knows what socialism is, therefore talking about socialist orientation is talking about an orientation of the unknown, the nothingness, and so, it is purely a flight of fancy! We cannot approve of that viewpoint, because although we still have to delve deeply into socialism in order to understand it and to clarify its different aspects, that does not mean we do not know anything about socialism and about what we intend to build. Relying on the basic concepts of Marxism-Leninism as well as on the successful and unsuccessful experiences of the socialist countries, we have acquired some correct initial ideas about socialism. The basic characteristics of socialism in our country have been reflected in our party's *Platform* adopted by the Seventh Party Congress. Moreover, experience of socialism is not something that is ready-made and immutable. Through our own building of socialism in reality, we also have the responsibility to contribute to that experience.

Some people also agree with the use of the "socialist orientation" concept; but that is only a simplistic, shallow, philistine kind of agreement, as Lenin once put it: "A kind of agreement that people use to stifle and vulgarize truth."[1] It is not enough just to talk about "socialist orientation" without taking any realistic, effective measures to ensure that life will proceed in that direction by itself. It is not true that if we just talk about "socialist orientation" or affix the adjective "socialist" to all activities and organizations, these activities and organizations will automatically acquire a "socialist" character and will not deviate from the socialist orientation. The danger of deviation from socialist orientation brought up by the mid-term Party Conference of Delegates is real. Moreover, this is not only a potential danger; in fact, it has materialized at a definite level: The phenomenon of corruption has become a national disaster; social evils (prostitution, drug addition, harmful cultural products...) are rampant, decaying morality and eroding national culture; gross social injustices glare, and so forth. Manifestations of deviation from socialist orientation are detected in all fields of activity—economic, health care, cultural, educational, and training. For example, there have been some views denying the role of the state economy and advocating privatizing the state economy; under the current system of hospital fees, it is very difficult for poor patients to obtain medical treatment; at present, it is difficult for children of laboring people and poor peasants to go to college; under the effects of the market economy, the pragmatic, selfish, immoral, and money-seeking way of life has shown an upward tendency, and so forth. If effective measures are not taken to overcome and roll back these manifestations, it will be impossible to implement socialist orientation.

Some people consider socialist orientation as something belonging to the distant future and contend that there is no need to talk about it now. In my opinion, when talking about "socialist orientation," we do not consider socialism to be simply an ideal, an objective to strive for, but also a realistic movement, a concrete cause to be realized step by step in life, from the lower to the higher level. This also means that in this matter we must resolve the relations between ideal and reality, between long-term and short-term interests, between objective and measure, and between strategy and tactic. "Socialist orientation" would be only a superfluous, hollow claim if we are not capable of implementing it in daily life. It is important to set forth a correct objective and strategy, but if no suitable measures and tactics are adopted, we will not be able to realize that objective and strategy. Socialist orientation must be reflected not only in our general platform and line but also in our plans, policies, and measures. The process of implementing socialist orientation is also a process of linking orientation with form determination and quality determination with quantity determination. This is also the process of gradually enhancing the socialist character in all areas of social life.

In developing society according to a socialist orientation, we are advancing to socialism from a *precapitalist* society, not a *capitalist* one, and definitely not a *developed capitalist* one. Proceeding from a *precapitalist* society also means that, economically, we are advancing from a predominantly small-scale production system, and that, politically, we are advancing from a people's democratic system. This characteristic calls for the discovery and use of various *intermediate, transitional* forms (such as the various forms of *state capitalism*, for example) as the stepping stones to socialism. Without such transitional forms, it is impossible to implement socialist orientation. However, since these forms are "intermediate" and "transitional,"—meaning they contain a mixture of different factors—they can easily become tottering and shaky. Therefore, when these forms are used, there is a great need for *orientation*, and the author of this orientation is none other than the Communist party and the real socialist state of the people.

In the current international and domestic conditions, *politics plays an extremely important and decisive role* in ensuring the socialist orientation in our country.

Politics, as we all know, is the relationship on the state plane between classes, political parties, nationalities, and nations. Determined by economy, politics is the concentrated manifestation of economy. But politics has a relatively independent character, therefore, it can have an effect on economy and can curb or promote economic development. Politics can also change the economic base to a certain extent. For this reason, we cannot avoid giving priority to politics. Lenin wrote: "Without a correct political stand, a class cannot maintain its rule, *and therefore* cannot fulfill *its tasks in the field of production*."[2]

At present, we are developing a market-oriented multisectoral economy. The individual and private capitalist sectors (including foreign-invested businesses) always have a tendency toward spontaneous capitalist development. In the past, in Russia, Lenin had clearly seen this tendency of small-scale goods production. The tendency toward capitalist development of the multisectoral economy in the conditions of a market economy is an *objective* tendency; we cannot ban or abolish the individual and private capitalist economies because of our preference for socialist orientation, as we did in the past. To do so is to relapse into past mistakes and to fall onto the road of "foolishness and suicide," as Lenin once said. The crux of the matter is *how to make use of the capitalist development tendency to realize a socialist orientation* for the benefit of the national economy and the people's livelihood. Politics plays a decisive role in this matter. Our party and state are fully capable of adopting positions, policies, laws, and macroeconomic regulatory instruments (plan, finance, bank, price...) to check, control, regulate, and guide the nonstate economic sectors onto the socialist road. We must *take the initiative* in developing the capitalist economy and advance to socialism *via the state capitalist road*.

Politics also plays a decisive role in developing the state and cooperative economies. These economic sectors can be regarded as the factors ensuring socialist orientation in the economic field. For this reason, with regard to a political viewpoint, we must reaffirm the *leading* role of the state economy and the *fundamental* role of the state and cooperative economies. Meanwhile, in reality, through the use of state policies, mechanisms, and laws, we must help these sectors fulfill their roles in the national economy and lead the other sectors into the socialist orbit.

At present, there are manifestations of a tendency to make light of the state economy and loosening the cooperative economy. In reality, because of the unsuitability of some state regulations, state-owned businesses are still suffering from a disadvantageous position compared to the individual and private economies. Therefore, for the state-owned firms to really play a leading role and effectively do business, the state should continue to renovate various mechanisms and policies (especially the policies on capital, profit distribution, enterprise welfare, director's benefits...). To provide a greater moving force for state-owned businesses, it is necessary to continue carrying out equitization, clearly defining and distinguishing between the state management function and the production and business management function.

The state should satisfactorily perform its socioeconomic management function. It must make social relations healthy and create a favorable sociopolitical environment for socialist orientation. There should be effective measures to firmly maintain political security and public order and security. And there should be more decisive and stronger measures in the struggle against corruption, smuggling, and other social evils. The party and state should intensify the ideological and theoretical struggle to criticize hostile lines of argument and deviant, wrongful viewpoints. To maintain the socialist orientation in the ideological field, we should be steadfast to Marxism-Leninism and Ho Chi Minh Thought as well as to the party's renovation policy.

We must *firmly maintain and renovate party leadership* and will not accept political pluralism and multiparty opposition. Along with line, viewpoint, and policy, party leadership over all society and the political system is the *prerequisite* for ensuring the development of all society in accordance with a socialist orientation. We must affirm Uncle Ho's viewpoint that our party is *a ruling party*. We must continue to renovate and reorganize the party, considering party building to be the *key task*; we must guard against the danger of the party degenerating and being transformed into a kind of democratic socialist party. It is necessary to continue carrying out research to shed light on the theory of socialism, on socialist orientation in the conditions of a market economy, on the tendency of and relations between various economic sectors, on ownership, on political system renovation and political stability, on party-state relations, and so forth.

To ensure socialist orientation, it is necessary to attach special importance to cadre training and organization. Cadre training and organization must be more thoroughly imbued with the class viewpoint; Uncle Ho's "people planting strategy" must be implemented; and talented people, those who are really loyal to national independence and socialism, must be trained for the country. A policy must be adopted to ensure health care, cultural and spiritual gratifications, and education for real laborers, and to see to it that college and postcollege education is available to the children of working people. We must intensify education of the younger generations in our national history and education of youths in the socialist ideals. We should reexamine curricula and teaching material from the general education to the college level and overcome the practice of making light of the teaching of Marxist-Leninist theories. The compilation of national textbooks for Marxist-Leninist theories and Ho Chi Minh Thought also contribute to implementing socialist orientation in the ideological and political fields.

There should be effective measures to curb the negative aspects of the market economy working against socialist orientation. Naturally, we should entertain no illusion that these negative aspects can be completely overcome. In this matter, the law plays a very important role. We must strengthen the legal system and ensure the effectiveness of the law in daily life to create a socialist-oriented legal corridor for all social activities. At the same time, we should attach special importance to and renovate education in politics, ideology, and ethics, considering this a task for our entire political system. In addition, we should pay attention to resolving pressing problems in the people's life (such as employment, injustice, division between the rich and the poor, complaints and grievances...), and promptly deal with hot spots to prevent them from turning into social explosions and causing political instability.

In the conditions of us opening our doors to the outside world, we should heighten vigilance against the imperialists' "peaceful evolution" scheme; resolutely suppress all sabotage, rebellious, and subversive activities of reactionaries at home and abroad; and oppose obnoxious and harmful cultural products coming from outside and causing spiritual "pollution." On the other hand, we must preserve our national cultural identity. This is because culture, as Adviser Pham Van Dong put it, is synonymous with socialist orientation. Culture is the foundation of society and contributes to maintaining sociopolitical stability and implementing socialist orientation. To maintain political stability and implement socialist orientation, we must also be highly responsive and pursue a correct policy in dealing with ethnic and religious issues.

Footnotes

1. V.I. Lenin: *Complete Works*, Progress Publishing House, Moscow, 1981, Vol. 29, p 270.

2. V.I. Lenin: *Complete Works*, Progress Publishing House, Moscow, 1979, Vol. 42, p 350.

SRV: Agriculture Ministry Export Turnover Increases

BK1408123396 Hanoi VNA in English 0616 GMT 14 Aug 96

[FBIS Transcribed Text] Hanoi VNA August 14 - The Ministry of Agriculture and Rural Development (MARD) has earned an export turnover of more than $803.55 million over the past seven months.

In July, MARD grossed an import-export value of $70.6 million, with $36.552 million from exports, representing an increase of 78.5 percent and 22 percent respectively over last July.

Some MARD establishments posted fairly high export values in July [words indistinct] Vietnam Sericulture Corp. with $700,000 (up 116 percent), VINAFOOD with $23.525 million (up 62.2 percent), VINAFIMEX with $2.409 million (up 60.5 percent), and the Grains Import-Export Company with $19,900 (up 91 percent) compared with the same month last year.

Australia

Australia: Downer Welcomes Commission Report on Nuclear Weapons

BK1508033496 Sydney THE SYDNEY MORNING HERALD in English 15 Aug 96

[Article by David Jenkins: "Downer Praises Report Seeking N-Weapon Ban" — received via Internet]

[FBIS Transcribed Text] The minister for foreign affairs, Mr. Downer, has welcomed the "practical and realistic" recommendations of a 17-member commission which has called for the phased elimination of nuclear weapons and warned of "the growing threat" of nuclear terrorism.

"This is a very credible and a very sensible piece of work," Mr. Downer said yesterday after the Canberra Commission on the Elimination of Nuclear Weapons presented its report to the prime minister.

In a unanimous report, members of the commission called on the five declared nuclear States, Britain, China, France, Russia and the United States, to commit themselves unequivocally to the elimination of nuclear weapons.

Commission members said there were six steps that could be taken immediately to reduce the risk of nuclear war.

These were taking nuclear forces off alert, removing warheads from delivery vehicles, ending the deployment of non-strategic nuclear weapons, ending nuclear testing, further reducing U.S. and Russian nuclear arsenals, and a "no first use" agreement by nuclear states.

The Canberra Commission, which was established by the Keating government late last year, includes former French Prime Minister Michel Rocard, former U.S. Defence Secretary Robert McNamara, Field Marshal Lord Carver of Britain, French environmentalist Jacques-Yves Cousteau and General Lee Butler, a former commander-in-chief of the U.S. Strategic Air Command.

At the time the commission was set up, Mr. Downer described the initiative as a cynical, election-driven exercise aimed at restoring Labor's credibility following the "debacle" over French nuclear testing.

Yesterday, Mr. Downer reiterated his scepticism over the Keating government's timing and motivation but went to some lengths to praise the report.

"I've already given a commitment to promote this report to the United Nations General Assembly, to the Conference on Disarmament through all of our missions around the world," he said. "All that remained was for the report to be taken to cabinet.

"It's quite untrue—and quite unfair—to say that in any way the Australian Government is equivocating."

In the report, commissioners warn that "the possible acquisition by terrorist groups of nuclear weapons or material is a growing threat to the international community".

And in a thinly veiled reference to the Russian nuclear arsenal, they note that "political upheaval or the weakening of state authority in a nuclear weapon state could cripple existing systems for ensuring the safe handling and control of nuclear weapons ..."

According to Professor Robert O'Neill of Oxford University, one of two Australians on the commission, the 119-page report provides "a major set of proposals to strengthen the quality of international security and to remove a clear danger which threatens the human race".

But he said the huge arsenals of the nuclear weapons states posed continuing dangers, "not least that of the Russian arsenal, of which control we are not fully confident".

The "engines of proliferation" were running in several other states, encouraged by the example of the five nuclear weapons powers.

India, Pakistan and Israel were already in a special category regarding the Comprehensive Test Ban Treaty. North Korea, Iraq and South Africa were known in recent years to have had nuclear ambitions and nuclear capabilities.

"It will not stop there. The genie is struggling to be free of the lamp and we need to try to push it back."

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